



**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

**June 24, 2013**

**MINUTES**

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

Director Ekelund convened the Regular Board of Directors Meeting @ 11:39 AM

Directors Present: Ken Ekelund, Claude Hoover, Mark Gonzalez, David Hart, Fred Ledesma, Richard Ortiz, Mike Scattini (arrived @ 1:00 PM) and Deidre Sullivan

Directors Absent: Director Silvio Bernardi

A quorum was established.

**2. ADJOURN TO CLOSED SESSION @ 11:40 AM**

**3. RECONVENE MEETING**

The meeting reconvened @ 1:15 PM.

Deputy County Counsel Patrick McGreal indicated the Board moved to pull Item 7E (*Consider receiving report on reimbursement for interim services of Chief Deputy Auditor-Controller*) from the day's agenda. There were no reportable actions taken in Closed Session.

Chair Ekelund introduced new Board member, Mark Gonzalez, appointed by Supervisor Fernando Armenta (District 1).

**4. PLEDGE OF ALLEGIANCE (led by Director Mark Gonzalez).**

**5. PUBLIC COMMENTS: None**

## 6. CONSENT CALENDAR

- A. Approve the minutes for the Special Board of Directors meeting held on May 20, 2013 @ 1:00 PM.
- B. Approve purchase orders/contracts in excess of \$500 for May 2013 and credit card purchases over \$500 in April/May 2013.
- C. Approve Amendment No. 2 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 Comments: None

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### ACTION:

**Motion and Second by Directors Richard Ortiz and Fred Ledesma to approve the Consent Calendar.**

**Motion carried unanimously.**

**(Director Mark Gonzalez abstained from voting on Consent Item A (minutes), but voted Yes on items B and C.)**

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## 7. ACTION ITEMS

- A. Consider approving Amendment No. 3 to the professional services agreement with AECOM Technical Services, Inc., in the amount of \$35,000 for providing safety surveillance and performance evaluation of San Antonio Dam; and, authorizing the General Manager to execute the Amendment.

Manuel Saavedra, Engineer, indicated the purpose of this amendment is to provide continuation of dam safety surveillance and performance evaluation of San Antonio Dam by AECOM from July 1, 2013 through June 30, 2014.

Public Comments:

Norm Groot, Monterey County Farm Bureau, asked whether this item was budgeted, to which Staff responded affirmatively.

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### ACTION:

**Motion and Second by Directors Fred Ledesma and David Hart to approve Amendment No. 3 to the professional services agreement with AECOM Technical Services, Inc., in the amount of \$35,000 for providing safety surveillance and performance evaluation of San Antonio Dam; and, authorizing the General Manager to execute the Amendment.**

**Motion carried unanimously.**

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B. Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors approve a Budget Amendment authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency's Fiscal Year 2012-2013 Budget, transferring \$509,375 from Fund 111 (Hydro Stabilization Reserve) of which \$97,444 will transfer to Fund 130 (Hydro-Electric Operations); \$288,405 will transfer to Fund 113 (Countywide); and, \$123,526 will transfer to Fund 114 (Zone 2 Nacimiento Non-O&M) as a result of lower water flows in the dam, ongoing repair work and lower PG &E rates in power agreement sales.

- 1) ~~Increase appropriation in Fund 130 (Hydro-Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 6835 (Other Special Departmental Expense) by \$97,444 (4/5<sup>th</sup> vote required)~~ Increase appropriation in Fund 111 (Administration), Dept. 9300, Unit 8267, Appropriation Unit WRA 001, Account 7614 (Operating Transfers Out) by \$509,375 (4/5<sup>th</sup> vote required); and,
- 2) Increase estimated revenues in Fund 130 (Hydro-Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 5940 (Operating Transfers In) by \$97,444 (4/5<sup>th</sup> vote required); and,
- 3) Increase estimated revenues in Fund 113 (Countywide Fund), Dept. 9300, Unit 8267, Appropriation Unit WRA003, Account 5940 (Operating Transfers In) by \$288,405 (4/5<sup>th</sup> vote required); and,
- 4) Increase estimated revenues in Fund 114 (Zone 2A Nacimiento Non-O&M) Dept. 9300, Unit 8267, Appropriation unit WRA003, account 5940 (Operating Transfers In) by \$123,526 (4/5<sup>th</sup> vote required).

Cathy Paladini, Finance Manager, reported this budget amendment will backfill ad valorem taxes in Funds 130, 113, 114 and 115 which were utilized to fund the Salinas Valley Water Project annual bond payment.

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

1. This amendment concerns operational spending for ongoing obligations.
2. People are paying into certain funds, but, the funds are being utilized countywide. ***Fund 111 is an Agency-wide fund. The fund was set up to handle shortfalls in revenue. This is actually Agency money that the Agency earmarked to fund Hydro repairs. This is not a restricted reserve. If the Board had not set aside this reserve, several funds would go into negative fund balance.***
3. The capital asset that created this money is the dams. ***In fairness, any money we generate in terms of revenue will be paid back.***
4. Will Fund 111 be replenished? ***We anticipate that it will be.***
5. What do we expect in terms of hydroelectric revenue? ***Approximately \$300,000 - significantly less than normal.***
6. We promised the valley and all constituents that we would ensure the fair use of reserves over time.
7. Do the Ordinances dictate some of the decisions with regard to use of reserves, revenues? ***Yes.***
8. Revenues should be utilized only by those who contributed to the capital costs.

Finance Manager Paladini noted the issue of reserves will be discussed more fully during the November Strategic Planning session.

Public Comments:

Margie Kay, North County resident, asked whether the entire County pays into this fund. *No.*

Nancy Isakson, Salinas Valley Water Coalition, discussed the parameters for use of monies collected from hydro funds: the first \$200,000 would go to landowners (in 2B) to help pay debt with the remainder dedicated to funding the Salinas Valley Water Project. Are we going to be short on those bond payments? Staff responded that we will be short on the bond payments since the Agency is bound by the Ordinances. Ms. Isakson also discussed her perception of the purpose(s) of the Rate Stabilization fund and requested information about the balance in that fund. In her estimation, there was insufficient information available to consider the day's agenda item.

Finance Manager Paladini rebutted Ms. Isakson's comments, stating Ms. Isakson's reference was to Fund 303 which currently holds a balance of \$2 million. Information regarding Fund 303 is provided monthly in the Unassigned Reserve Report. Ms. Paladini also stated the fund to which Ms. Isakson referred will be replenished when monies are received.

Norm Groot, Monterey County Farm Bureau, stated confusion surrounding the funds points to the immediate need for a comprehensive report on the Agency's funds; the interaction between funds; and, the replenishment of those funds.

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

1. The Board needs to have an outline of the flow of revenue and, in particular, gain an understanding of: the source of the funds; the interrelation between Zones 2B, 2Y and 2Z; replenishment of funds; targeted reserves; and, the methodology and reasoning for developing the targeted reserves.
2. There was an objection to monies given by a few used by the many.
3. What would happen if this item was not approved? *Those funds would be missing their ad valorem taxes.*
4. What is the total budgeted hydro revenue for 2013-14? *Approximately \$1 million.*

Public Comments:

Darlene Din, Monterey County land use consultant, asked where the money went if not into the fund. *Out of unassigned fund balance. Each of the funds would drop into a negative fund balance.* This is due to timing differences...and this is a cash flow issue, not an assessment issue. This should be explained better for the public.

Margie Kay asked for a definition of ad valorem, to which staff responded it related to property taxes.

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**ACTION:**

**Motion and Second by Directors David Hart and Claude Hoover to approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve a Budget Amendment authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency's Fiscal Year 2012-2013 Budget, transferring \$509,375 from Fund 111 (Hydro Stabilization Reserve) of which \$97,444 will transfer to Fund 130 (Hydro-Electric Operations); \$288,405 will transfer to Fund 113 (Countywide); and, \$123,526 will transfer to Fund 114 (Zone 2 Nacimiento Non-O&M) as a result of lower water flows in the dam, ongoing repair work and lower PG &E rates in power agreement sales.**

- 1) ~~Increase appropriation in Fund 130 (Hydro Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 6835 (Other Special Departmental Expense) by \$97,444 (4/5<sup>th</sup> vote required)~~ Increase appropriation in Fund 111 (Administration), Dept. 9300, Unit 8267, Appropriation Unit WRA001, Account 7614, (Operating Transfers Out) by \$509,375 (4/5th vote required); and,**
- 2) Increase estimated revenues in Fund 130 (Hydro-Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 5940 (Operating Transfers In) by \$97,444 (4/5th vote required); and,**
- 3) Increase estimated revenues in Fund 113 (Countywide Fund), Dept. 9300, Unit 8267, Appropriation Unit WRA003, Account 5940 (Operating Transfers In) by \$288,405 (4/5th vote required); and,**
- 4) Increase estimated revenues in Fund 114 (Zone 2A Nacimiento Non-O&M) Dept. 9300, Unit 8267, Appropriation unit WRA003, account 5940 (Operating Transfers In) by \$123,526 (4/5th vote required).**

**Motion carried unanimously.**

**Abstain: Mike Scattini**

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C. Consider approving and recommending that the Monterey County Board of Supervisors recognize the net previously received amount of \$644,209.05 from the California American Water Company (CAW) Line of Credit (Draws 1 & 2) all in accordance with the December 4, 2012 Settlement Agreement among the Monterey County Water Resources Agency, CAW and the County of Monterey; and, reallocate revenue of \$644,290.05 in Fund 425 to Assessment-Based Funds as reimbursement of Regional Desalination Project costs incurred from those funds in calendar years 2009, 2010 and 2011, excluding conflict of interest costs and expenses.

- 1) Transfer \$644,209.05 from Liability Account "Balance Due to Others" (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 2569 to Revenue Account "Insurance & Other Recoveries," Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 5870; and,
- 2) Reallocate Revenue \$644,209.05 from "Insurance & Other Recoveries" (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account

5870 to the following funds: 112, 113, 116, 119, 122, 127, 131 and 134 that originally incurred Regional Project costs, (4/5th vote required).

APPROVED

Cathy Paladini, Finance Manager, reported that in accordance with the Settlement Agreement among the Agency, CAW and Monterey County, this transaction moves the net amount of the California-American Water forgiven Line of Credit Draws 1 and 2 (\$644,290.05) back into the specific funds utilized to pay Regional Desalination Project expenses in 2009, 2010 and 2011. The net amount excludes conflict of interest costs and expenses.

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

1. Will this impact the current fiscal year? ***If CPUC approval is required first, the 2014-15 FY budget will be impacted.***
2. The Agency should follow the Agreement.
3. The Agency currently has possession of these funds.
4. The Board is merely being asked to approve an accounting treatment.
5. The interpretation of the Agency is different than other entities.

General Manager Chardavoyne stated that Agency Staff will meet with the Auditor, County Administrative Officer, Budget Analyst and legal counsel to discuss this action before it is considered by the Board of Supervisors. The Agency believes the money should be distributed to the funds from whence it came. The worst case would be a future claim after lawsuits about many other issues. However, the risk is de minimis. According to the attorneys, this may be approved without a hearing. He also stated this should be applied to the 2012-13 Fiscal year and that \$100,000 of the original \$744,000 has already been used.

Public Comments:

Darlene Din, Monterey County land use consultant, warned the Board about approving items that have not yet been officially approved. Ms. Din requested the Board to follow proper procedures.

Nancy Isakson agreed, and stated since the PUC has not yet approved this, it would be premature for Directors to approve the item before meeting with County staff.

Chair Ekelund asked what would occur if the Directors did not approve this item. Staff responded the budget adjustment would not be made and the current fiscal year's revenues would be decreased by this amount.

Chair Ekelund also asked if Agency staff is confident enough the Settlement Agreement will be approved for the Directors to make this decision now. General Manager Chardavoyne reported he spoke with outside counsel who felt there is a high probability the Settlement Agreement will be approved in 2013-14. The General Manager voiced his confidence in the CPUC approving the Settlement Agreement.

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**ACTION:**

**Motion and Second by Directors Claude Hoover and Deidre Sullivan to approve and recommend that the Monterey County Board of Supervisors recognize the net previously received amount of \$644,209.05 from the California American Water Company (CAW) Line of Credit (Draws 1 & 2) all in accordance with the December 4, 2012 Settlement Agreement among the Monterey County Water Resources Agency, CAW and the County of Monterey; and, reallocate revenue of \$644,290.05 in Fund 425 to Assessment-Based Funds as reimbursement of Regional Desalination Project costs incurred from those funds in calendar years 2009, 2010 and 2011, excluding conflict of interest costs and expenses.**

- 1) Transfer \$644,209.05 from Liability Account “Balance Due to Others” (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 2569 to Revenue Account “Insurance & Other Recoveries,” Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 5870; and,**
- 2) Reallocate Revenue \$644,209.05 from “Insurance & Other Recoveries” (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 5870 to the following funds: 112, 113, 116, 119, 122, 127, 131 and 134 that originally incurred Regional Project costs, (4/5th vote required).**

**Motion carried unanimously.**

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- D. Consider approving Amendment No. 1 to the legal services agreement with Downey Brand Attorneys, LLP, in the amount of \$250,000, for legal services in connection with the proposed revocation of Permit No. 11043 by the State Water Resources Control Board (SWRCB); and, authorizing the General Manager to execute the Amendment.

Rob Johnson, Assistant General Manager, provided historical information regarding Permit No. 11043 and also reported the purpose of this amendment is to develop strategy for defending the proposed revocation of Permit 11043.

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

1. If this amendment is approved, would the total contract amount be \$350,000?  
***Yes.***
2. There is insufficient information to support opposing revocation of the permit, and it appears the Board is being asked to approve spending money that has already been spent.
3. The Board voted unanimously to oppose the State Water Resources Control Board’s proposed revocation of Permit 11043.
4. Who is paying the \$250,000? And, what is the source of the million dollars per year for three years? Are the Supervisors reimbursing the Agency?
5. Will the total contract amount come out of the money approved by the Agency’s Board of Supervisors (up to \$1 million for three years)?
6. No information has been brought to the Committee as to Downey Brand’s work product for the \$100,000 that has been spent.

Public Comments:

Norm Groot, Monterey County Farm Bureau, reported he met with the Regional Advisory Committee (RAC); but, never heard anything about Downey Brand's activities. Mr. Groot stated much confusion exists as to the services Downey Brand is actually providing, and that he is concerned over the source of funds for this expenditure. Additionally, he questioned the purpose of the Regional Advisory Committee if the Agency is moving forward anyway.

Nancy Isakson supported Mr. Groot's comments, adding that no budget was ever brought to the Board for approval. Ms. Isakson also questioned whether the expert, Dennis Williams, would be paid by the attorneys' fees.

Margie Kay, RAC Committee member, questioned the source of funds for this expenditure; the purpose for which the money would be spent; and, whether the Agency was currently incurring costs.

Darlene Din, Monterey County land use consultant, stated there is a quasi-public process along with a closed session process, of which the Board has not been privy.

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

1. For what will the money be used? ***\$100,000 has been spent since January 2013 for a hydrogeologist consultant to research the amount of water available as well as the amount available to halt seawater intrusion; \$100,000 will cover Downey Brand's time; and, the remainder would be applied to preparations for the hearing.***
2. Do we know how much water is available? ***Mr. Johnson misspoke; the water availability was based on halting seawater intrusion.***
3. What is the purpose of the Regional Advisory Committee? To assemble a diverse group of stakeholders to determine first if we should defend the permit? ***A community purpose statement was developed as a foundation to develop a letter of support in opposition to the revocation of permit 11043.***

Ms. Isakson rose to a Point of Order, indicating the Regional Advisory Committee wrote the Committee's purpose statement.

4. Hiring of Hydrogeologist – why did that come separately before the Board. Because the attorney hired the hydrogeologist, attorney-client privilege exists.
5. If this permit is revoked, what is the cost of securing a permit for 168,000 acre-feet of water?
6. Is it prudent for the Agency to go into court without a lawyer or expert witnesses?
7. If the Agency seeks success in opposing the proposed revocation, the stakeholders along with the Agency need to speak with one voice.
8. I hope they have provided more than a purpose statement for \$110K. Providing the information has been a challenge because of this legal process.
9. Did we assume the initial \$100,000 was the only cost? ***No, it was always stated this would be a kick start only.***
10. Directors requested a timeline of all projects that include date of initiation and costs.
11. The legal services contracts have been divided by subject matter.

12. Directors also inquired as to the source of funds that will be used for this contract amendment. *Our Administration Fund. Once that is approved, we can approach the Board of Supervisors for reimbursement.* Is it budgeted?
13. Is it reasonable to have a general plan of attack and scope of work before money is spent? *Your expectation is well founded; but, this has been discussed at every meeting this year in closed session.*
14. Willing to approve the item; but, asks the Chair to work with legal counsel work to determine expectations of legal counsel.

County Counsel indicated his intent to provide the Board with a Request for Qualifications for diversification of legal services.

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**ACTION:**

**Motion and Second by Directors David Hart and Mike Scattini approve Amendment No. 1 to the legal services agreement with Downey Brand Attorneys, LLP, in the amount of \$250,000, for legal services in connection with the proposed revocation of Permit No. 11043 by the State Water Resources Control Board (SWRCB); and, authorizing the General Manager to execute the Amendment.**

**Ayes**                 **Directors Ken Ekelund, Mark Gonzalez, David Hart, Fred Ledesma, Richard Ortiz, Mike Scattini and Deidre Sullivan**  
**Noes**                 **Director Claude Hoover**  
**Absent**               **Director Silvio Bernardi**

**Motion carried.**

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~~E. Consider receiving report on reimbursement for interim services of Chief Deputy Auditor-Controller. This item was removed from the day's agenda.~~

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F. Consider ratifying execution, by the Board Chair and General Manager, of the First Amendment to the Settlement Agreement and Mutual Release between California-American Water Company, the County of Monterey, and Monterey County Water Resources Agency.

David Chardavoyne, General Manager, reported the amount agreed upon in the original Settlement Agreement was \$779,967.47 to be paid 30 days after filing of the mutual release. Subsequently, it was determined the original amount included \$15,410.47 in costs relating to the Collins conflict of interest issue as well as costs clearly not germane to the Regional Desalination Project. This amendment reduces the settlement amount by \$15,410.47, thereby reflecting actual Regional Desalination expenditures.

Public Comments: None

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**ACTION:**

**Motion and Second by Directors Fred Ledesma and Deidre Sullivan to ratify execution, by the Board Chair and General Manager, of the First Amendment to the Settlement Agreement and Mutual Release between California-American Water Company, the County of Monterey, and Monterey County Water Resources Agency.**

**Motion carried unanimously.**

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- G. Consider adopting a resolution of support for the Northern and Coastal California Water Bond Initiative Coalition; and, recommending that the Monterey County Water Resources Agency Board of Supervisors adopt a resolution of support.

Rob Johnson, Assistant General Manager, discussed the need to develop a coalition among Northern and Coastal California counties to present a coordinated outreach effort to Legislature designed to bring additional revenue to the areas. The goals of the Coalition include:

- Identifying water-related funding needs of the Coalition;
- Identifying highest needs through consensus;
- Coordinating outreach efforts to the Legislature;
- Participating in the development of Proposition 50;
- Supporting \$1B in appropriations to fund IRWM program; and,
- Participating in crafting the upcoming water bond.

Public Comments: None

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**ACTION:**

**Motion and Second by Directors Richard Ortiz and David Hart to adopt a resolution of support for the Northern and Coastal California Water Bond Initiative Coalition; and, recommend that the Monterey County Water Resources Agency Board of Supervisors adopt a resolution of support.**

**Motion carried unanimously.**

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- H. Consider approving a Power Purchase Agreement with the City of Corona Department of Water and Power for power generated at the Nacimiento Hydroelectric Plant; recommending approval to the Monterey County Water Resources Agency Board of Supervisors; and, authorizing the General Manager to sign the Term Sheet and a Definitive Agreement and any necessary ancillary agreements.

Brent Buche, Assistant General Manager, provided background information about this item, and stated the City of Corona submitted the best proposal of \$71 net MWh for 20 years. After the first ten years, the agreement would be open to negotiation/termination.

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

1. Did the Agency have any say in determining the escalator? And, were mechanisms other than a fixed escalator of 1.5% considered?

*The City of Corona offered the 1.5% escalator.*

2. What happened to the MOU with Natividad Medical Center? *It was aborted because of regulations dictating the agreement and power plant residing in the same county. Special legislation would be required along with a PUC tariff to effect such an agreement.*
3. What is current market for renewable energy credits? *2.5 cents if bundled; 1 cent if unbundled.*
4. What is the financial stability of the City of Corona? *We did not research this; but, will find out.*

Public Comments: None

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**ACTION:**

**Motion and Second by Directors Richard Ortiz and Claude Hoover to approve a Power Purchase Agreement with the City of Corona Department of Water and Power for power generated at the Nacimiento Hydroelectric Plant; recommend approval to the Monterey County Water Resources Agency Board of Supervisors; and, authorize the General Manager to sign the Term Sheet and a Definitive Agreement and any necessary ancillary agreements.**

**Motion carried unanimously.**

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- 8. KEY INFORMATION AND CALENDAR OF EVENTS** – The Finance Committee meeting was moved to July 19, 2013 @ 10 AM. General Manager Chardavoyne also announced the Joint closed session meeting of the Monterey County Water Resources Agency Board of Supervisors and Board of Directors scheduled for Tuesday, June 25, 2013 @ noon.

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**9. GENERAL MANAGER'S REPORT** –

General Manager David Chardavoyne reported on the following:

- a) The Audit of the Monterey Regional Water Pollution Control Agency has been released to Agency Directors, the Board of Supervisors and the public. General Manager Chardavoyne stated recommendations for consideration by the Board of Directors will be coordinated with the Auditor-Controller's office and submitted at the Board's next regular meeting.
- b) Salt Management – meetings have been held among the Agency, Cal-Am, Monterey Regional Water Pollution Control Agency, Pebble Beach Land Company and other Peninsula participants regarding reducing salt by eliminating water softeners and chemicals used.
- c) Cal-Am: approval of project at CPUC – desires a settlement agreement among parties before the hearing. That meeting will take place. Agency concentrates on Groundwater Replenishment Project.
- d) Recycled Water issues continue despite 1½ years of meetings.
- e) Presentation made at SWRCB hearing in Monterey on June 4: re – background of Agency and offered an opportunity to let Board know about the Agency. Will appear before them in August unless something else happens and we wanted them to have an idea of what we do. Made comments on state report that they did for the Cal Am project.

*Director Fred Ledesma left the meeting @ 3:25 PM.*

Public Comments: None

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**10. COMMITTEE REPORTS**

Finance Committee Chair, Claude Hoover, noted the Finance Committee sometimes forwards items to the full Board for consideration without recommendation.

Reservoir Operations Committee Chair, David Hart, thanked the NARMAC committee for providing lunch for the meeting held at the Lakes.

Board Chair, Ken Ekelund, asked that new Board members be provided a tour of Agency facilities as well as a general orientation to the Agency.

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**11. INFORMATION ITEMS** – Directors had no questions/comments regarding submitted items.

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**12. CORRESPONDENCE** – The National Oceanic and Atmospheric Administration letter dated May 21, 2013 should be discussed at the committee level, including possible tradeoffs regarding fish monitoring.

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**13. BOARD OF DIRECTORS' COMMENTS**

Board Chair Ken Ekelund acknowledged the day's difficult meeting; but, stated it did not reflect negatively on the Agency. He also reported his attendance at the celebration initiating the removal of San Clemente Dam.

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**14. ADJOURNMENT @ 3:48 PM**

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SUBMITTED BY: Wini Chambliss

APPROVED ON: July 22, 2013

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Wini Chambliss, Clerk to the Board