

**MONTEREY COUNTY WATER RESOURCES AGENCY  
BOARD OF DIRECTORS  
FINANCE COMMITTEE  
COMMITTEE MEMBERS**

Claude Hoover (Chair)  
David Hart

Ken Ekelund  
John Huerta

**TIME:** 10:00 a.m.  
**DATE:** Friday, February 13, 2015  
**PLACE:** Monterey County Water Resources Agency  
893 Blanco Circle  
Salinas, CA 93901

**MINUTES**

1. **Call Meeting to Order @ 10:10 a.m. by Committee Chair, Claude Hoover**  
Members Present: Ken Ekelund, Claude Hoover, John Huerta and David Hart  
Members Absent: None

A quorum was established.

2. **Public Comment**  
John Baillie reiterated that cloud seeding needs to be seriously considered and that funding needs to be available in case there is an opportunity to activate that program.
3. **Approve the Minutes of the Finance Committee Meeting held on October 10, 2014 and December 12, 2014.**

**Committee Action:**

Committee Member David Hart pointed out that Mr. John Baillie's name was misspelled in the Minutes. The error was noted. Upon Motion made by Committee Member John Huerta and seconded by Committee Member David Hart the Committee approved the Minutes.

4. **Consider receiving the July through November 2014 Financials for the Castroville Seawater Intrusion Project/Salinas Valley Reclamation Project, and the Salinas River Diversion Facility.**  
Cathy Paladini, Finance Manager reviewed the Financials for the CSIP/SVRP/SRDF.

**Committee Action:**

Upon Motion made by Committee Member David Hart and seconded by Committee Member Ken Ekelund the Committee received the report.

5. **Consider receiving the December 2014 Financials for all Agency Funds.**

Cathy Paladini, Finance Manager, reviewed the December 2014 Financials for all Agency Funds. She noted that the year-to-date revenue is \$12,491,247 and year-to-date expenditures are \$8,119,324.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member John Huerta the Committee received the December 2014 Financials for all Agency Funds.**

6. **Consider approving Purchase Orders/Contracts/Credit Card Purchases in excess of \$500.**

Cathy Paladini, Finance Manager, reviewed purchase orders/contracts/credit card purchases in excess of \$500.

**Committee Action:**

**Upon Motion made by Committee Member John Huerta and seconded by Committee Member David Hart the Committee approved the Purchase Orders/Credit Card Purchases in excess of \$500.**

7. **Consider receiving a report and recommending that the full Board approve an agreement with The Nature Conservancy for an expenditure of up to \$75,000 to complete the necessary Two-Dimensional Flood Model for Phase 2 of the Salinas River Stream Maintenance Program.**

Shaunna Juarez, Associate Water Resources Engineer, reviewed the proposed agreement. She noted that the Stream Maintenance Program (SMP) was approved in July 2014 and will be implemented in phases. The SMP follows a consensus-based process for design and implementation that includes identification of willing participants and potential River Management Units (RMUs), a Technical and Design Committee and a Permitting Committee. Phase 2 of the SMP should begin in March 2015 and end in October 2015 with applications being submitted to the regulatory agencies.

**Public Comment:**

John Baillie commented that The Nature Conservancy does good work. He expressed concern that vegetation was being cut in a way that the levees would not hold together and asked if there was a strategy to replace vegetation to hold the levees together.

Shaunna Juarez indicated that a full report will be forthcoming this month which will include information regarding vegetation.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart the Committee received the report and recommended that the full Board approve an agreement with The Nature Conservancy for an expenditure of up to \$75,000 to complete the necessary Two-Dimensional Flood Model for Phase 2 of the Salinas River Stream Maintenance Program.**

8. **Consider receiving the Water Resources Agency's FY 2014-15 Three-Year Forecast; and, recommending that the full Board approve its inclusion in Monterey County's Countywide Three-Year Forecast FY 2014-15 through FY 2017-18 Report.**

Cathy Paladini, Finance Manager, presented this item to the Committee. She noted that this report is one section of the annually published Countywide Three-Year Forecast FY 2014-15 through FY 2017-18. The Agency's forecasted numbers are a consolidation of all Funds and include Beginning Fund Balance, Revenues, Expenditures, and Ending Fund Balance. In addition, the Agency report includes Fund 313 Castroville Seawater Intrusion Project/Salinas Valley Reclamation Project Joint Powers Authority Debt Service Fund. It does not reflect direction from the Agency's Board of Directors Budget workshop meeting that will be held on March 23, 2015.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart the Committee received the report.**

9. **Consider receiving a report on the status of the proposed Zone 2B, 2Y and 2Z Water Delivery/Service charges for the Water Resources Agency Castroville Seawater Intrusion Project (CSIP – Fund 131), Salinas Valley Reclamation Project (SVRP – Fund 132) and the Salinas River Diversion Facility (SRDF – Fund 134) FY 2015-16 Budgets as established by Ordinances 3635, 3636, and 3789 through the adoption of Clarification Resolution 00-172; and, recommending that the full Board authorize the Agency to levy such proposed charges effective July 2015.**

Cathy Paladini, Finance Manager, presented this item to the Committee. She noted that the Agency proposes to use the methodology in the 2007 Engineer's Report for the SRDF to determine the necessary annual water service/delivery charges for CSIP/SVRP/SRDF whether the SRDF is operational or not. The CSIP/SVRP cost increases when the SRDF is not operating. FY 2014-15 is the first year the SRDF became inoperable due to drought conditions.

Adoption of the proposed methodology for water delivery/service charges will enable the Agency to maintain a steady revenue stream to account for maintenance and operations costs of CSIP/SVRP/SRDF even when the SRDF is off-line.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member John Huerta the Committee received the report.**

10. **Set next meeting date and discuss future agenda items.**

The next meeting will be held on March 13, 2015 at 10:00 a.m. The Committee will would like to discuss cloud seeding.

11. **ADJOURNMENT**

The Committee adjourned at 11:13 a.m.

Submitted by: Alice Henault

Approved on: April 10, 2015