

**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, October 10, 2014**  
**PLACE: Monterey County Water Resources Agency  
893 Blanco Circle  
Salinas, CA 93901**

**MINUTES**

**1. Call Meeting to Order @ 10:00 a.m. by Committee Chair, Claude Hoover**

Members Present: Ken Ekelund and Claude Hoover  
John Huerta arrived at 10:20 a.m.  
Members Absent: David Hart

A quorum was established.

**2. Public Comment**

None.

**3. Approve the Minutes of the Finance Committee Meeting held on September 12, 2014.**

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Chair Claude Hoover the Committee approved the September 12, 2014 Finance Committee Minutes with the noted correction.**

**4. Consider receiving the June, July and August 2014 Financials for all Agency Funds.**

Cathy Paladini, Finance Manager, reviewed the June, July and August 2014 Financials for all Agency Funds. She noted that deferred expenses were paid in the month of July. Neither the Cal Am reimbursement nor the insurance reimbursement has come in yet.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Chair Claude Hoover the Committee received the June, July and August 2014 Financials for all Agency Funds.**

**5. 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 Ken Ekelund and seconded by Committee Chair Claude Hoover the Committee approved the Purchase Orders/Credit Card Purchases in excess of \$500.**

6. **Consider receiving the July 2013 – June 2014 Board of Directors Fees and Mileage Report and the July 2013 – June 2014 Travel, Training & Food Expenses Report**  
Cathy Paladini, Finance Manager, reviewed the reports.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Chair Claude Hoover the Committee received the July 2013-June 2014 Board of Directors Fees and Mileage Report and the July 2013 – June 2014 Travel, Training & Food Expenses Report**

7. **Consider ratifying the Monterey County Water Resources Agency Board of Supervisors' action to amend the Monterey County Water Resources Agency (MCWRA) Department 9300, Appropriations WRA001, Budget Unit 8267 to reallocate one (1.0) FTE vacant Water Maintenance Worker I to one (1.0) FTE Water Maintenance Worker II; delete one (1.0) FTE vacant Engineering Aide III position; and, authorize the County Administrative Office to incorporate the changes in the Department 9300, Appropriations WRA001, Budget Unit 8267 FY 2014-15 Adopted Budget to reflect the change in position counts.**

Cathy Paladini, Finance Manager, provided information regarding this item. She noted that on April 1, 2014, the Monterey County Water Resources Agency Board of Supervisors approved the changes in the FY 2013-14 Adopted Budget. However, those position changes were made during the period when personnel changes were not accepted for FY 2014-15. This administrative revision will allow the previously approved FY 2013-14 position changes to be included in the FY 2014-15 Adopted Budget. The Human Resources Department and County Administrative Budget Division have been involved in the preparation of this report.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Chair Claude Hoover the Committee ratified the Monterey County Water Resources Agency Board of Supervisors' action to amend the Monterey County Water Resources Agency (MCWRA) Department 9300, Appropriations WRA001, Budget Unit 8267 to reallocate one (1.0) FTE vacant Water Maintenance Worker I to one (1.0) FTE Water Maintenance Worker II; delete one (1.0) FTE vacant Engineering Aide III position; and, authorize the County Administrative Office to incorporate the changes in the Department 9300, Appropriations WRA001, Budget Unit 8267 FY 2014-15 Adopted Budget to reflect the change in position counts.**

8. **Consider receiving an update on the following Agency financial reports: (1) Agency Credit Rating Report by Standard and Poor's; (2) Final Report of WRA FY 2013-14 Financials prepared by John Goodman, CPA; and, (3) MRWPCA Indirect Costs for FY 2013-14 and future years**

Cathy Paladini, Finance Manager, provided information regarding this item. She noted that in May and June of 2014, the Agency provided several credit rating agencies with current financial information and projections of how the Agency will navigate in future years with continued drought conditions. The Agency worked with John Goodman, a consultant contracted by the County Auditor Controller to review accounting design, controls, and systems used to gather and report financial information among other things. The outcome of his reports will be addressed in the Agency's November Strategic Planning session.

Both MRWPCA and MCWRA agree that a clear understanding of all projects costs are needed for tracking annual budgets, the development of an accurate water delivery/service charge, and an accurate understanding of the costs for the various source waters needed for a definitive GWR agreement. They are working toward that goal.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member John Huerta the Committee received the update on the following Agency financial reports: (1) Agency Credit Rating Report by Standard and Poor's; (2) Final Report of WRA FY 2013-14 Financials prepared by John Goodman, CPA; and, (3) MRWPCA Indirect Costs for FY 2013-14 and future years.**

9. **Consider recommending that the full Board of Directors approve Amendment No. 1 to the Professional Services Agreement with Schaaf & Wheeler in the amount of \$186,000 to provide Civil Engineering and design services for modifications and improvements to the Espinosa Booster Pump Station; and, authorize the General Manager to execute the Amendment**

Brent Buche, Chief of Operation and Maintenance, provided information regarding this item. He noted that in response to a February 2014 RFP regarding improvements to the Espinosa Booster Station, the Agency contracted with Schaaf & Wheeler to assist agency staff in reviewing and modifying the Agency's hydraulic model for the CSIP system. This hydraulic model was then used to evaluate potential solutions and alternatives for the problems associated with low pressures at Turnout No. 231.

The original Professional Services Agreement with Schaaf & Wheeler was for \$ 8,020. In reviewing the CSIP's hydraulic model, it was determined that, although the project is functioning as designed, several components of the system are operating at the upper limits of their capabilities. Additional analysis of the CSIP hydraulic model is needed to evaluate potential design improvements and help ensure the safety of the system.

Amendment No. 1, for the amount of \$186,000, will provide for necessary analysis and design of Espinosa Booster Pump modifications to improve supplied pressure at Turnout No. 231, ensure system reliability and component safety.

**Committee Action:**

**Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member John Huerta the Committee recommended forwarding this item to the full Board of Directors for further discussion.**

**At this time Mr. Brent Buche, asked that Item No. 10 be pulled from the Agenda.**

**10. ADJOURNMENT**

The Committee adjourned at 11:10 a.m.

Submitted by: Alice Henault

Approved on: January 16, 2015