

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

FINANCE COMMITTEE

COMMITTEE MEMBERS

Claude Hoover (Chair)
David Hart
Ken Ekelund
Richard Ortiz

TIME: 10:00 a.m.
DATE: Friday, February 14, 2014
PLACE: Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901

MINUTES

1. Call Meeting to Order @ 10:15 a.m. by Committee Member, Ken Ekelund

Members Present: David Hart, Richard Ortiz, Ken Ekelund
Members Absent: Claude Hoover

A quorum was established.

2. Public Comment

None

3. Approve the Minutes of the Finance Committee Meeting held on January 17, 2014

Committee Action:

Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member Dave Hart with Ken Ekelund abstaining, the Committee approved the January 17, 2014 Finance Committee Minutes.

5. Receive the December 2013 Financials for the Castroville Seawater Intrusion Project/Salinas Valley Reclamation Project, and the Salinas River Diversion Facility.

Chris Moss, Water Resources Engineer, reviewed the Financials through December 31, 2013 for the CSIP/SVRP/SRDF. All information is current.

Committee Action:

Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee received the December 31, 2013 Financials for the Castroville Seawater Intrusion Project/Salinas Valley Reclamation Project and the Salinas River Diversion Facility.

6. Receive the December 2013 Financials for all Agency Funds.

Cathy Paladini, Finance Manager, reviewed the December 2013 Financials for all Agency Funds. She noted that the current actual unassigned reserves are \$14,246,180. Year-to-date revenues are at \$11,049,765. Year-to-date expenditures are \$7,628,490.

Committee Action:

Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee received the December 2013 Financials for all Agency Funds.

7. Approve Purchase Orders/Contracts/Credit Card Purchases in excess of \$500.

Cathy Paladini reviewed the purchase orders/contracts/credit card purchases.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee approved the Purchase Orders/Contracts/Credit Card Purchases in excess of \$500.

6. Consider recommending for approval by the full Board Amendment No. 2 to the professional services agreement with Salinas Pump Company in the amount of \$54,000 to provide water well and pump maintenance, repair services and well logging services for the Castroville Seawater Intrusion Project; and, authorize the General Manager to execute the Amendment.

Mark Foxworthy, Associate Water Resources Engineer, reviewed the Amendment. He noted the Fiscal Year 2012-13 (year-one) contract amount payable was \$70,000. Amendment No.1, for Fiscal Year 2013-14 (year-two), provided an additional \$50,000 to continue access to repair and maintenance services, bringing the total contract amount to \$120,000. CSIP well and pump work that has occurred and that is presently under way will use that amount. The contract term ends on June 30, 2015. The work performed by Salinas Pump Company is on an as-needed basis and consists of well repair, well and pump testing, pump repair, pump removal and installation, and well logging.

The purpose of Amendment No. 2 is to provide for additional repair work and maintenance of the CSIP supplemental wells and pumps necessary for meeting irrigation requirements in anticipation of drought conditions for the upcoming growing season. The repairs underway at well 14A1 and at new well #2 were planned and scheduled for this fiscal year (2013-14). The cost of these two repairs will be approximately \$106,000 and will use the majority of the monies in the Salinas Pump Co. contract, leaving a balance of approximately \$14,000. Additionally, work on well/pump 01C1 has recently been identified in order to maximize water supply availability for the coming season. Work needed for well/pump 01C1 will cost approximately \$38,000 causing the need for an additional \$24,000.

Amendment No. 2, for the amount of \$54,000, will provide the additional \$24,000 for the recently identified repairs needed at Well 01C1, and an additional amount of \$30,000 for contingency purposes to allow continued access to CSIP well/pump repair and maintenance services on an as-needed basis.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee recommended approval by the full Board Amendment No. 2 to the professional services agreement with Salinas Pump Company in the amount of \$54,000 to provide water well and pump maintenance, repair services and well logging services for the Castroville Seawater Intrusion Project; and, authorize the General Manager to execute the Amendment.

- 7. Consider recommending for approval by the full Board a *Subdivision Improvement Agreement*, by and among, the Monterey County Water Resources Agency, and Union Community Partnership LLC, related to the Bryant Canyon Channel Improvement Project; recommend the Board of Supervisors approve the Agreement; and, authorize the Chairman of the Board of Supervisors to execute the Agreement.**

Shaunna Juarez, Associate Water Resources Engineer, review the Agreement. She noted that On August 27, 2001, after almost ten years of negotiation with several property owners, the Board of Directors approved the purchase of 5.77 acres of right of way for extension of Bryant Canyon Drainage Channel in the amount of \$81,008. She provided further historical background to the project noting that the project was intended to reduce flooding in the City of Soledad from water flowing out of Bryant Canyon. The project remains unfinished because the Agency does not have adequate funds in Zone 8, Fund 121 to complete the rest of the project. These improvements were estimated to cost in excess of \$1 million. Zone 8 has annual revenue of approximately \$66,000 and includes the responsibility of maintaining the Soledad Storm Drain in accordance with an Agreement between the MCWRA, the City of Soledad, and HUD, and operating and maintaining the newly constructed extension of the Storm Drain. Currently, the financial impact is unknown.

UCP has been developing the Miravale Subdivision in the vicinity of the partially completed Bryant Canyon Channel Improvement Project. The newly proposed Miravale II Unit III is located within the Soledad city limits but will be adjacent to the channel and discharge stormwater runoff into the channel. Miravale II Unit III is considered to be in an area subject to flooding due to the unfinished nature of the Bryant Canyon Channel Improvement Project. Michael Cady, a representative of UCP, stated that UCP has agreed to construct the unfinished improvements to the Bryant Canyon Channel Improvement Project. UCP and the Agency will enter into a Subdivision Improvement Agreement prior to commencement of construction wherein each entity's responsibilities are defined.

Committee Action:

Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member Dave Hart, the Committee recommended for approval by the full Board a *Subdivision Improvement Agreement*, by and among, the Monterey County Water Resources Agency, and Union Community Partnership LLC, related to the Bryant Canyon Channel Improvement Project.

- 8. Consider recommending for approval by the full Board an amendment to the professional services agreement with Cardno ENTRIX to revise the Environmental Impact Report relating to the Salinas River Channel Maintenance Program to comply with possible Project revisions. Project direction will be given by the full Board.**

Shaunna Juarez, Associate Water Resources Engineer, reviewed the Amendment. She noted that between March 22, 2010 and October 28, 2013, the Board of Directors (BOD) approved a professional services agreement and four amendments with Cardno ENTRIX to prepare a

California Environmental Quality Act (CEQA) document including supporting analyses, for the amount of \$611,879. On March 25, 2013 the BOD approved the Monterey County Water Resources Agency's Fiscal Year 2013-2014 Requested Budget which included \$150,000 in Funds 116, 117, 121, 124, and 129 for Other Professional Fees and Services – Consultants for the Salinas River Stream Maintenance Program.

The Agency developed a Final EIR for the Salinas River Stream Maintenance Program, in accordance with CEQA and presented the EIR to the Board of Directors on September 30, 2013. The item was continued so that staff could work with the stakeholders on modifying the project as needed. Four stakeholder meetings were held since September 2013 with the goal to develop possible changes to the proposed project and to the process.

MCWRA staff is participating in The Nature Conservancy's Demonstration Project as a Member of the Technical and Design Committee and the Permitting Committee. Permits will be pursued shortly. Staff is preparing a comparison of six alternative pathways to present to BOD this month, and make a recommendation on how to move forward.

The existing Contract with Cardno ENTRIX expires 3/31/2014 with a limited budget remaining. A budget has not been prepared and is dependent on how the BOD determines the next steps. The approximate cost of revising the CEQA document and certification may range between \$25,000 and \$100,000. The range of activities is from revising the project description with no substantive changes to revising/recirculating the Draft EIR.

The FY 13-14 budget has \$185,000 in budget for permitting and related documents and additional CEQA work can be paid out of that sum. The next phase can be delayed until CEQA revisions are underway. A formal amendment will be presented to the Board of Directors.

Committee Action:

Upon Motion made by Committee Member Dave Hart and seconded by Committee Member Richard Ortiz, the Committee recommended for approval by the full Board an amendment to the professional services agreement with Cardno ENTRIX to revise the Environmental Impact Report relating to the Salinas River Channel Maintenance Program to comply with possible Project revisions. Project direction will be given by the full Board.

16. SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS

The next meeting date is March 14, 2014 at 10:00 a.m. No future agenda items were discussed. Cathy Paladini noted that the Budget Workshop will be held in March.

17. ADJOURNMENT

The Committee adjourned at 11:05 a.m.

Submitted by: Alice Henault

Approved on: March 14, 2014