

**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, March 15, 2013  
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: Claude Hoover, David Hart, Ken Ekelund, Richard Ortiz  
Members Absent: None
2. **PUBLIC COMMENT**  
None
3. **APPROVE THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON FEBRUARY 8, 2013**  
  
**COMMITTEE ACTION: Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee approved the February 8, 2013 Finance Committee Minutes.**
4. **RECEIVE THE JANUARY 2013 FINANCIALS FOR THE CASTROVILLE SEAWATER INTRUSION PROJECT/SALINAS VALLEY RECLAMATION PROJECT AND SALINAS RIVER DIVERSION FACILITY**  
Manuel Saavedra, Water Resources Engineer, reviewed the financials for the CSIP/SVRP/SRDF. He noted that the projects were at 58% of their budget cycle. There was nothing out of the ordinary to report. The Committee asked for further explanation of Line Item 4.1, "Maintenance Service & Supplies External", of the CSIP Expenditure Report, which will be provided at the next meeting. There was a correction made to the SRDF Expenditure Report at Line Item 14, "Water Rights & Dam Fees". This item should have been charged to Nacimiento, not the SRDF.

**COMMITTEE ACTION: Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member David Hart, the Committee received the January 2013 Financials for the Castroville Seawater Intrusion Project/Salinas Valley Reclamation Project and Salinas River Diversion Facility.**

**5. RECEIVE THE JANUARY 2013 FINANCIALS FOR ALL AGENCY FUNDS**

Cathy Paladini, Finance Manager, reviewed the January financials for all Agency funds. She noted that Development and other fees are on target. These fees come in to the Agency throughout the year. The Inter-fund transfer revenue includes budget revision for the transfer of \$1.3 million from Fund 303 CSIP to Fund 130 Hydro O&M for emergency repairs. A report on active consultant contracts will be provided at the next meeting.

**COMMITTEE ACTION: Upon motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee received the December 2012 Financials for all Agency Funds.**

**6. APPROVE PURCHASE ORDERS/CONTRACTS AND CREDIT CARD PURCHASES IN EXCESS OF \$500**

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

**COMMITTEE ACTION: Upon motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee approved the purchase orders/contracts and credit card purchases in excess of \$500.**

**7. RECEIVE INFORMATION REGARDING THE WATER RESOURCES AGENCY FY 2012-13 THREE-YEAR FORECAST; AND, CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE THE AGENCY'S FY 2012-13 THREE-YEAR FORECAST FOR INCLUSION IN MONTEREY COUNTY'S COUNTYWIDE THREE-YEAR FORECAST FY 2012-13 THROUGH 2015-16 REPORT**

Cathy Paladini, provided information regarding the three-year forecast. She noted that in prior years, this report was written and prepared by the County CAO's Budget Office. The Countywide report is due to be received by the County BOS on March 12, 2013. Currently the Agency is out of sync with the County in the timing of the forecast, thereby not meeting the County deadline of March 12, 2013. Efforts to be more in sync with the County will be discussed at the upcoming budget workshop. Staff will present the Board of Directors with an updated Three-Year Forecast during the workshop on March 25, 2013.

**COMMITTEE ACTION: Upon motion made by Committee Member Richard Ortiz and seconded by Committee Member Ken Ekelund, the Committee received information regarding the Water Resources Agency FY 2012-13 Three-Year Forecast; and recommended that the full Board approve the Agency's FY 2-012-13 Three-Year Forecast for inclusion in Monterey County's countywide three-year forecast FY 2012-13 through 2015-16 report.**

**8. CONSIDER RECOMMENDING FOR APPROVAL BY THE FULL BOARD HOLDING A PUBLIC HEARING FOR THE MONTEREY COUNTY WATER RESOURCES AGENCY'S FISCAL YEAR 2013-2014 REQUESTED BUDGET; CONSIDER RECOMMENDING APPROVAL OF THE MONTEREY COUNTY WATER RESOURCES AGENCY'S FISCAL YEAR 2013 - 2014 REQUESTED BUDGET; AND RECOMMEND APPROVAL OF THE REQUESTED BUDGET TO THE BOARD OF SUPERVISORS**

Cathy Paladini, provided information regarding the requested budget. She noted that staff will review the requested budgets for all Agency funds at the Board of Directors Budget Workshop on March 25, 2013.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart, the Committee recommended the full Board hold a public hearing for the Monterey County Water Resources Agency's Fiscal year 2013-2014 requested budget.

9. **CONSIDER RECOMMENDING FOR APPROVAL BY THE FULL BOARD THE MONTEREY COUNTY WATER RESOURCES AGENCY HEAVY EQUIPMENT PLAN FOR FY 2013-2014; AND, AUTHORIZE THE INTERIM GENERAL MANAGER TO PURCHASE THE EQUIPMENT IN ACCORDANCE WITH THE HEAVY EQUIPMENT PLAN.**

Brent Buche, Chief of Operations and Maintenance, reviewed the Heavy Equipment Plan. The plan will be presented to the full board at the Budget Workshop on March 25, 2013.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart, the Committee recommended for approval by the full Board the Monterey County Water Resources Agency Heavy Equipment Plan for FY 2013-2014 and recommend authorizing the Interim General Manager to purchase the equipment in accordance with the Heavy Equipment Plan.

10. **CONSIDER RECOMMENDING FOR APPROVAL BY THE FULL BOARD THE MONTEREY COUNTY WATER RESOURCES AGENCY LIGHT VEHICLE REPLACEMENT PLAN FOR 2013-2014; AND, AUTHORIZE THE INTERIM GENERAL MANAGER TO PURCHASE THE VEHICLES IN ACCORDANCE WITH THE LIGHT VEHICLE REPLACEMENT PLAN.**

Brent Buche, reviewed the Light Vehicle Replacement Plan. The plan will be presented to the full board at the Budget Workshop on March 25, 2013.

**COMMITTEE ACTION:** Upon motion made by Committee Member Dave Hart and seconded by Committee Member Ken Ekelund, the Committee recommended for approval by the full Board the Monterey County Water Resources Agency Light Vehicle replacement Plan for FY 2013-2014; and recommended authorizing the Interim General Manager to purchase the vehicles in accordance with the light Vehicle Replacement Plan.

11. **CONSIDER RECOMMENDING FOR APPROVAL BY THE FULL BOARD APPENDIX 2014 SUPPLEMENT TO THE MONTEREY COUNTY WATER RESOURCES AGENCY TECHNOLOGY PLAN-PHASE IV (ATP IV)**

Rob Johnson, Chief of Water Resources Management reviewed the Technology Plan-Phase IV. The plan will be presented to the full board at the Budget Workshop on March 25, 2013.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart, the Committee recommended for approval by the full Board Appendix 2014 Supplement to the Monterey County Water Resources Agency technology Plan-Phase IV.

**12. CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE THE REMAINING ENCUMBRANCE OF \$589,000 FOR THE TIME AND MATERIALS CONSTRUCTION AGREEMENT WITH SITE CONSTRUCTORS, INC. FOR AN AMOUNT NOT TO EXCEED \$1,089,000 FOR THE REPAIR OF UNIT NO. 1 AT THE NACIMIENTO HYDROELECTRIC FACILITY**

Brent Buche, reviewed this encumbrance for the Agreement with Site Constructors, Inc. He noted that the hydroelectric plant's primary hydropower turbine, Unit No.1 was damaged due to a foreign object (sea-pot pressure equalizer from intake valve actuator; south valve) passing through the penstock, scroll-case, and turbine runner.

The original contract with Site Constructors, Inc. for inspection, evaluation and repair of the damage was for \$1,189,000, but during after further evaluation of the facility the final contract amount was reduced to \$1,089,000. The original Board Order only encumbered \$500,000, due to the contract being in draft form. Now in order to pay invoices up the contract amount, the remaining \$589,000 must be encumbered.

**COMMITTEE ACTION: Upon motion made by Committee Member Dave Hart and seconded by Committee Member Ken Ekelund, the Committee recommended that the full Board approve the remaining encumbrance of \$589,000 for the time and materials construction Agreement with Site Constructors, Inc. for an amount not to exceed \$1,089,000 for the repair of Unit No. 1 at the Nacimiento Hydroelectric Facility.**

**13. ADJOURNMENT**

The Committee adjourned at 12.30 p.m.

Submitted by: Alice Henault

Approved on: April 12, 2013