

**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, April 12, 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

A quorum was established.

**2. PUBLIC COMMENT**

None

**3. APPROVE THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON MARCH 15, 2013**

**COMMITTEE ACTION: Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee approved the March 15, 2013 Finance Committee Minutes.**

**4. RECEIVE THE FEBRUARY 2013 FINANCIALS FOR THE CASTROVILLE SEAWATER INTRUSION PROJECT/SALINAS VALLEY RECLAMATION PROJECT AND SALINAS RIVER DIVERSION FACILITY**

Chris Moss, Senior Water Resources Engineer, reviewed the financials for the CSIP/SVRP/SRDF. He noted that the projects were at 67% of their budget cycle and there was nothing out of the ordinary to report. He clarified Line Item 4.1, "Maintenance Service & Supplies External", of the CSIP Expenditure Report. This line item refers to parts and supplies used for repairing a well along with a permit fee. A correction still needs to be made to the SRDF Expenditure Report at Line Item 14, "Water Rights & Dam Fees". This item should have been charged to Nacimiento instead of the SRDF.

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

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

Cathy Paladini, Finance Manager, reviewed the February financials for all Agency funds. She noted that the fuel spill reimbursement from the County still has not yet been received. The Hydroelectric Plant revenue is currently not generating revenue due to repairs. General Manager, David Chardavoyne is meeting with the County Administrative Officer, Lew Bauman in order to resolve the issue of the Cal-Am reimbursement, which has not yet been forthcoming.

A discussion ensued wherein it was agreed that if County Staff disagrees with the Agency budget it should make that presentation at the budget hearing. The Agency budget should be submitted to the Board of Supervisors as it was approved by the Agency Board of Directors.

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

**7. CONSIDER RECEIVING THE JULY 2012 – MARCH 2013 BOARD OF DIRECTORS FEES AND MILEAGE REPORT**

Cathy Paladini presented the July 2012 – March 2013 Board of Directors Fees and Mileage Report for review.

**COMMITTEE ACTION: Upon motion made by Committee Member Dave Hart and seconded by Committee Member Ken Ekelund, the Committee received the July 2013 – March 2013 Board of Directors Fees and Mileage Report.**

**8. CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE BENEFIT ASSESSMENT CHARGES FOR FISCAL YEAR 2013-2014 FOR ZONES 1, 1A, 8, 9, 12 AND 17; AND, RECOMMENDING ADOPTION TO THE MONTEREY COUNTY WATER RESOURCES AGENCY BOARD OF SUPERVISORS**

Chris Keehn, Right-of-Way Specialist, provided information regarding Benefit Assessment charges for FY 2013-2014 for Zones 1, 1A, 8, 9, 12 and 17. The Finance Committee and Board of Directors is being asked to approve Flood Control Benefit Assessments Charges, receive public testimony and make recommendation to the Board of Supervisors.

Ordinance 2974, 3878 and 3881 all allow for an increase in assessments by the rise of the cost of living index. The Fiscal Year 2013-2014 assessments include a CPI 2.4% increase

over Fiscal Year 2012-2013. The ordinances require that the reports specifying benefit assessments be received by the Board of Supervisors and set for public hearing prior to adoption.

**COMMITTEE ACTION:** Upon motion made by Committee Member Dave Hart and seconded by Committee Member Richard Ortiz, the Committee recommended approval to the Board of Directors, of benefit assessment charges for Fiscal Year 2013-2014 for Zone 1, 1A, 8, 9, 12 and 17 and, recommended adoption to the Monterey County Water Resources Agency Board of Supervisors.

9. **CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE THE FISCAL YEAR 2013-2014 ASSESSMENT RATES, WATER DELIVERY AND WATER SERVICE CHARGES FOR ZONE 2B; FISCAL YEAR 2013-2014 ASSESSMENTS FOR ZONES 2Y AND 2Z FOR THE CASTROVILLE SEAWATER INTRUSION PROJECT AND THE SALINAS VALLEY RECLAMATION PROJECT; AND, RECOMMENDING ADOPTION TO THE MONTEREY COUNTY WATER RESOURCES AGENCY BOARD OF SUPERVISORS**

Chris Keehn, provided information regarding FY 2013-2014 Assessment rates, water delivery and water service charges for Zone 2B and FY 2013-2014 Assessments for Zones 2Y and 2Z for the Castroville Seawater Intrusion Project and the Salinas Valley Reclamation Project. The proposed assessments for Fiscal Year 2013-14 represent a 2.4 % increase from 2012-2013.

The MCWRA Act and Ordinances 3635 and 3636 require the adoption of annual resolutions by the Agency Board of Supervisors to continue the assessments, water delivery, and water service charges for the CSIP and SVRP.

Committee Chair Claude Hoover suggested that Staff provide a rate history at the upcoming Board of Directors meeting which would show what the revenue loss would be if the rates were kept the same and not increased. General Manager David Chardavoyne indicated that the Agency is planning to do community outreach in May to provide information to such groups as the Salinas Valley Coalition, Farm Bureau, Grower Shippers Association and other interested parties.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Richard Ortiz, the Committee recommended approval to the Board of Directors the Fiscal Year 2013-2014 assessment rates, water delivery and water service charges for Zone 2B; Fiscal Year 2013-2014 assessments for Zone 2Y and 2Z for the Castroville Seawater Intrusion Project and the Salinas Valley Reclamation Project, and recommended adoption to the Monterey County Water Resources Agency Board of Supervisors.

10. **CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE ZONE 2C ASSESSMENT CHARGES FOR FISCAL YEAR 2013-2014; AND, RECOMMENDING ADOPTION TO THE MONTEREY COUNTY WATER RESOURCES AGENCY BOARD OF SUPERVISORS**

Chris Keehn provided information regarding Zone 2C Assessment charges for FY 2013-2014. He noted that annual assessments of approximately \$1.11 million will pay debt

service for the Salinas Valley Water Project for the capital costs until the debt is retired. Annual assessments of \$3.06 million will pay for the operation and maintenance and administrative cost of the reservoirs and diversion facility as long as the those facilities are operated or maintained, replacing the previous Zones 2 and 2A Water Standby or Availability Charges.

The FY 2013-2014 assessments include a cost of living increase for the Operations and Maintenance and the Administration components. There is no change for the Spillway and Diversion Facility rates for Fiscal Year 2013-2014.

Included with the ordinance are clarifying resolutions which: (1) amend Resolution No. 00-172 to eliminate the CSIP and SVRP 2Y and 2Z assessments once all debt has been retired, and (2) amend Resolution No. 85-292 and the Joint Powers Agreement for the Monterey County Power Authority to allocate the use of revenue generated by the Nacimiento Hydroelectric Plant following retirement of the Lease Revenue Bonds solely to MCWRA; and (3) clarifying Resolution No. 95-250 regarding the use of hydroelectric revenue generated by the Nacimiento Hydroelectric Plant. These Resolutions require that the reports and proposed ordinances specifying benefit assessments be received by the Board of Supervisors and set for public hearing prior to adoption.

**COMMITTEE ACTION: Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Richard Ortiz, the Committee recommended approval to the Board of Directors the Fiscal Year 2013 – 2014 assessment rates, water delivery and water service charges for Zone 2B; Fiscal year 2013 – 2014 assessments for Zone 2Y and 2Z for the Castroville Seawater Intrusion Project and the Salinas Valley Reclamation Project and, recommended adoption to the Monterey County Water Resources Agency Board of Supervisors.**

**11. CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE THE MONTEREY COUNTY WATER RESOURCES AGENCY WELL PERMIT FEE REVISIONS AND NEW FEES RESULTING FROM THE 2010 GENERAL PLAN UPDATE**

Howard Franklin, Senior Water Resources Hydrologist, provided information regarding Well Permit Fee Revisions and new fees resulting from the 2010 General Plan Update. He noted that the fees collected by the Water Resources Agency for supporting the County's Environmental Health Department well construction, reconstruction and destruction permit program are defined within Monterey County's Land Use Master Fee Resolution Document. Updates to this document are being developed by Monterey County Resource Management Agency (RMA) and will go to the County Board of Supervisors on April 23, 2013.

Action I: Amend the description of where well construction, reconstruction, and destruction permit fees are collected for the Water Resources Agency to include Zone 2C and areas of Monterey County within the jurisdiction of the Pajaro Valley Water Management Agency.

Action II: New well construction fee for new domestic well, county wide. Staff proposes a fee of one (1) hour at the Water Resources Agency rate, which is currently \$121.58.

Action III: Well construction fee for new high capacity well, county wide. Staff has tracked the time spent on conducting high capacity well assessments since November 2011 and

determined that an appropriate fee would be equivalent to two (2) hours of staff time. At the current Water Resources Agency hour rate, this fee would be \$243.16.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Richard Ortiz, the Committee recommended that the full Board approve the Monterey County Water Resources Agency Well Permit Fee revisions and new fees resulting from the 2010 General Plan Update.

**12. SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS**

The next Finance Committee meeting will be held on May 10, 2013 at 10:00 A.M. The Committee has asked Staff to provide a flow chart showing the roles and responsibilities of the Agency and County as they work through the County budgeting process.

**13. ADJOURNMENT**

The Committee adjourned at 11:45 a.m.

Submitted by: Alice Henault

Approved on: May 10, 2013