

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

Claude Hoover, Chair
Ken Ekelund

David Hart
Richard Ortiz

TIME: 9:00 a.m.
DATE: Friday, June 21, 2013
PLACE: Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901

A G E N D A

1. CALL TO ORDER

2. PUBLIC COMMENT

(Limited to three (3) minutes per speaker on matters within the jurisdiction of the Agency not listed on this agenda. The public will have the opportunity to ask questions and make statements on agenda items as the Committee considers them.)

3. APPROVE THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON MAY 10, 2013

The Committee will consider approval of the minutes of the above-mentioned meeting (Page 5).

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

Chris Moss, Senior Water Resources Engineer, will review the financials for the CSIP/SVRP/SRDF (Page 7).

5. RECEIVE THE APRIL 2013 FINANCIALS FOR ALL AGENCY FUNDS

Cathy Paladini, Finance Manager, will review the April 2013 financials for all Agency funds (Page 19).

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

Cathy Paladini, Finance Manager, will review purchase orders/contracts and credit card purchases in excess of \$500 (Page 31).

7. CONSIDER RECEIVING REPORT ON REIMBURSEMENT FOR INTERIM SERVICES OF CHIEF DEPUTY AUDITOR-CONTROLLER

David Chardavoyne, General Manager, will review information on the request for reimbursement for interim services of the Chief Deputy Auditor-Controller (Page 35).

8. **CONSIDER APPROVING AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH AECOM TECHNICAL SERVICES, INC., IN THE AMOUNT OF \$35,000 FOR PROVIDING SAFETY SURVEILLANCE AND PERFORMANCE EVALUATION OF SAN ANTONIO DAM; AND, AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AMENDMENT**
Chris Moss, Senior Engineer, will review Amendment No. 3 with AECOM (Page 39).
9. **CONSIDER RECOMMENDING THAT THE MONTEREY COUNTY WATER RESOURCES AGENCY BOARD OF DIRECTORS AND BOARD OF SUPERVISORS APPROVE A BUDGET AMENDMENT AUTHORIZING THE AUDITOR-CONTROLLER TO AMEND THE MONTEREY COUNTY WATER RESOURCES AGENCY'S FISCAL YEAR 2012-2013 BUDGET, TRANSFERRING \$509,375 FROM FUND 111 (HYDRO STABILIZATION RESERVE) OF WHICH \$97,444 WILL TRANSFER TO FUND 130 (HYDRO-ELECTRIC OPERATIONS); \$288,405 WILL TRANSFER TO FUND 113 (COUNTYWIDE); AND, \$123,526 WILL TRANSFER TO FUND 114 (ZONE 2 NACIMIENTO NON-O&M) AS A RESULT OF LOWER WATER FLOWS IN THE DAM, ONGOING REPAIR WORK AND LOWER PG&E RATES IN POWER AGREEMENT SALES.**
 - a. **INCREASE APPROPRIATION IN FUND 111 (ADMINISTRATION), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA001, ACCOUNT 7614,(OPERATING TRANSFER OUT) BY \$509,375;**
 - b. **INCREASE ESTIMATED REVENUES IN FUND 130 (HYDRO-ELECTRIC OPERATIONS), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA022, ACCOUNT 5940 (OPERATING TRANSFERS IN) BY \$97,444;**
 - c. **INCREASE ESTIMATED REVENUES IN FUND 113 (COUNTYWIDE FUND), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA022, ACCOUNT 5940 (OPERATING TRANSFERS IN) BY \$97,444; AND,**
 - d. **INCREASE ESTIMATED REVENUES IN FUND 114 (ZONE 2 NACIMIENTO NON-O&M), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA003, ACCOUNT 5940 (OPERATING TRANSFERS IN) BY \$123,526.**

Cathy Paladini, Finance Manager II, will review this Budget Amendment with the Committee (Page 69).

10. **CONSIDER RECOMMENDING THAT THE MONTEREY COUNTY WATER RESOURCES AGENCY BOARD OF DIRECTORS AND BOARD OF SUPERVISORS RECOGNIZE THE NET PREVIOUSLY RECEIVED AMOUNT OF \$644,209.05 FROM THE CALIFORNIA AMERICAN WATER COMPANY (CAW) LINE OF CREDIT (DRAWS 1 AND 2) ALL IN ACCORDANCE WITH THE DECEMBER 4, 2012 SETTLEMENT AGREEMENT AMONG THE MONTEREY COUNTY WATER RESOURCES AGENCY, CAW AND THE COUNTY OF MONTEREY; AND, REALLOCATE REVENUE OF \$644,209.05 IN FUND 425 TO ASSESSMENT-BASED FUNDS AS REIMBURSEMENT OF REGIONAL DESALINATION PROJECT COSTS INCURRED FROM THOSE FUNDS IN CALENDAR YEARS 2009, 2010 AND 2011, EXCLUDING CONFLICT OF INTEREST COSTS AND EXPENSES.**
 - A. **TRANSFER \$644,209.05 FROM LIABILITY ACCOUNT "BALANCE DUE TO OTHERS" (FUND 425), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA035, ACCOUNT 2569 TO REVENUE ACCOUNT "INSURANCE**

& OTHER RECOVERIES,” DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA035, ACCOUNT 5370; AND,

- B. REALLOCATE REVENUE \$644,209.05 FROM “INSURANCE & OTHER RECOVERIES” (FUND 425), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA035, ACCOUNT 5870 TO THE FOLLOWING FUNDS: 112, 113, 116, 119, 122, 127, 131 AND 134 THAT ORIGINALLY INCURRED REGIONAL DESALINATION PROJECT COSTS.**

Cathy Paladini, Finance Manager II, will review this item with the Committee. (Page 73).

- 11. CONSIDER RECOMMENDING THAT THE FULL BOARD OF DIRECTORS APPROVE AMENDMENT NO. 1 TO THE LEGAL SERVICES AGREEMENT WITH DOWNEY BRAND ATTORNEYS, LLP IN THE AMOUNT OF \$250,000 FOR LEGAL SERVICES IN CONNECTION WITH THE PROPOSED REVOCATION OF PERMIT NO. 11043 BY THE STATE WATER RESOURCES CONTROL BOARD (SWRCB); AND, AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AMENDMENT.**

Cathy Paladini, Finance Manager II, will review Amendment No. 1 with Downey Brand (Page 93).

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

The Committee will discuss and determine details for its next meeting.

- 13. ADJOURNMENT**

**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, May 10, 2013
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: 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 APRIL 12, 2013**

COMMITTEE ACTION: Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee approved the April 12, 2013 Finance Committee Minutes.

4. **RECEIVE THE MARCH 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 75% of their budget cycle and there was nothing out of the ordinary to report. In reviewing the Utility Cost Summary portion of his report he noted that more water was produced from CSIP wells last year as the Salinas River Diversion Dam was not on line in April 2012.

COMMITTEE ACTION: Upon motion made by Committee Member Dave Hart and seconded by Committee Member Ken Ekelund, the Committee received the March

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

5. RECEIVE THE MARCH 2013 FINANCIALS FOR ALL AGENCY FUNDS

Cathy Paladini, Finance Manager, reviewed the March financials for all Agency funds. She noted that the fuel spill reimbursement from the County still has not yet been received. In addition, she noted that the Hydro Reimbursement advance was received by the County Risk Management Division instead of the Agency and currently resides in the County Risk Pool. The Agency is being reimbursed on an invoice by invoice basis.

COMMITTEE ACTION: Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Richard Ortiz, the Committee received the March 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. The Committee requested that staff submit a report on the current County credit card policy.

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. SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS

The next Finance Committee meeting will be held on June 14, 2013 at 10:00 A.M. The Committee has asked Staff to invite DeWayne Woods, County Budget Director, to the next committee meeting.

13. ADJOURNMENT

The Committee adjourned at 10:35 a.m.

Submitted by: Alice Henault

Approved on: _____

MEMORANDUM

County of Monterey

DATE: June, 2013

TO: Finance Committee

FROM: Chris Moss

SUBJECT: CSIP, SVRP and SRDF O&M Budget Reports for FY 2012-2013.

The Castroville Seawater Intrusion Project (CSIP), Salinas Valley Reclamation Project (SVRP) and Salinas River Diversion Facility (SRDF) Operations and Maintenance Expenditure Reports through the end of April 2013, Fiscal Year 2012-2013, are attached.

**FY 2012-2013
SUMMARY OF CSIP, SVRP AND SRDF
OPERATIONS AND MAINTENANCE
EXPENDITURE REPORTS**

FROM JULY 1, 2012 THROUGH APRIL 30, 2013 - PRELIMINARY
10 MONTHS = 83% OF THE BUDGET CYCLE

| | <u>TOTAL EXPENDITURES AND COMMITMENTS</u> | <u>FY 12-13 Budget</u> | <u>% USED</u> |
|-------------|---|----------------------------|---------------|
| CSIP | | | |
| MCWRA | 497,778 | 720,081 | 69% |
| MRWPCA | 809,671 | 1,154,158 | 70% |
| Total | <u>1,307,448</u> | <u>1,874,239</u> | <u>70%</u> |
| SVRP | | | |
| MCWRA | - | - | 0% |
| MRWPCA | 1,470,771 | 2,097,475 | 70% |
| Total | <u>1,470,771</u> | <u>2,097,475</u> | <u>70%</u> |
| SRDF | | | |
| MCWRA | 631,358 | 703,269 | 90% |
| MRWPCA | 341,919 | 720,784 | 47% |
| Total | <u>973,276</u> | <u>1,424,053</u> | <u>68%</u> |

| | <u>Actual</u> | | <u>Budget</u> | <u>% Used</u> |
|---|---------------|-----------|---------------|---------------|
| CSIP Supplemental Well Water Produced this FY | 1,834 | acre-feet | 2,050 | 89% |
| SVRP Recycled Water Produced this Fiscal Year | 11,214 | acre-feet | 13,750 | 82% |
| SRDF River Water Produced this Fiscal Year | <u>2,672</u> | acre-feet | <u>5,000</u> | 53% |
| Total Water Production | 15,720 | acre-feet | 20,800 | 76% |

FUND 131

Castroville Seawater Intrusion Project (CSIP) O&M Expenditure Report FY 2012 - 2013

Expenditures vs. Budget from July 1, 2012 through end of April 2013

| Preliminary Description | Apr 2013 Current Period Expenditures | Total Year-to-Date Expenditures & Commitments | FY 2011 - 2012(a) | FY 2012-2013 Budgeted Amount | FY 2012-2013 Percent of Budget Used |
|----------------------------|--|---|--|---------------------------------|---|
| | | | Expenditures & Commitments thru Apr 2012 | | |
| A | B | C | D | E | F |

MCWRA O&M

| | | | | | | |
|-----|------------------------------------|---------------|----------------|----------------|----------------|------------|
| 1 | Communication Charges - External | 0 | 0 | 0 | 0 | 0% |
| 2.1 | Earthquake Insurance | 0 | 0 | 0 | 78,743 | 0% |
| 2.2 | Project Insurance | 0 | 0 | 0 | 104,030 | 0% |
| 3.1 | Maintenance Svc. & Suppl. External | 0 | 6,080 | 3,654 | 5,100 | 119% |
| 3.2 | Maintenance Svc. & Suppl. Internal | 0 | 355 | 0 | 1,122 | 32% |
| 4 | Equipment Maintenance | 0 | 0 | 0 | 0 | 0% |
| 5 | Memberships/Publications | 0 | 223 | 223 | 255 | 87% |
| 6 | Non-Capital Equipment | 0 | 0 | 2,313 | 5,100 | 0% |
| 7 | Miscellaneous Services | 0 | 0 | 0 | 0 | 0% |
| 8 | Miscellaneous Supplies | 0 | 0 | 0 | 0 | 0% |
| 9 | Outside Legal Counsel | 0 | 0 | 5,000 | 0 | 0% |
| 10 | County Counsel | 164 | 203 | 1,259 | 1,020 | 20% |
| 11 | Consultants/Contractors | 22,930 | 185,067 | 151,798 | 218,000 | 85% |
| 12 | Other Prof Fees/Svcs MRWPCA | 0 | 0 | 0 | 0 | 0% |
| 13 | Publications and legal Notices | 0 | 0 | 0 | 0 | 0% |
| 14 | Equipment Rental | 0 | 0 | 0 | 0 | 0% |
| 15 | Miscellaneous Fees | 0 | 1,759 | 0 | 0 | 0% |
| 16 | MCWRA Salaries/Benefits | 13,000 | 304,091 | 262,290 | 385,454 | 79% |
| 17 | Employee Travel | 0 | 0 | 0 | 0 | 0% |
| 18 | Employee Training | 0 | 0 | 0 | 0 | 0% |
| 19 | Utilities | 0 | 0 | 0 | 0 | 0% |
| 20 | Temporary Help | 0 | 0 | 0 | 0 | 0% |
| 21 | Lab Services | 0 | 0 | 0 | 0 | 0% |
| 22 | Contingency | 0 | 0 | 0 | 0 | 0% |
| 23 | Computer | 0 | 0 | 0 | 0 | 0% |
| 24 | Outside Printers | 0 | 0 | 0 | 0 | 0% |
| 25 | TOTAL O&M CSIP (MCWRA) | 36,093 | 497,778 | 426,537 | 720,081 | 69% |

MRWPCA O&M

| | | | | | | |
|----|------------------------------------|---------------|----------------|----------------|------------------|------------|
| 26 | MRWPCA Salaries/Benefits | 38,477 | 391,446 | 358,791 | 459,456 | 85% |
| 27 | Office Expense | 0 | 2,356 | 583 | 4,650 | 51% |
| 28 | Outside Professional Services | 48 | 54,064 | 61,498 | 62,500 | 87% |
| 29 | Operating Supplies | 1,908 | 8,629 | 5,095 | 13,550 | 64% |
| 30 | Lab Services | 3,750 | 31,406 | 36,503 | 48,000 | 65% |
| 31 | Chemicals | 0 | 0 | 5,185 | 0 | 0% |
| 32 | Utilities | 11,773 | 230,057 | 334,625 | 351,950 | 65% |
| 33 | PM/Repairs | 6,285 | 33,010 | 38,111 | 88,500 | 37% |
| 34 | Contingency | 0 | 0 | 0 | 11,131 | 0% |
| 35 | Equipment Replacement Fund | 0 | 0 | 0 | 0 | 0% |
| 36 | Vehicle Costs | 0 | 0 | 0 | 0 | 0% |
| 37 | Indirect | 5,635 | 58,703 | 62,477 | 114,421 | 51% |
| 38 | TOTAL O&M CSIP (MRWPCA) | 67,877 | 809,671 | 902,868 | 1,154,158 | 70% |
| 39 | CSIP PCA Capital Outlay | 0 | 0 | 0 | 75,000 | 0% |

| | | | | | | |
|----|---------------------------|----------------|------------------|------------------|------------------|------------|
| 40 | TOTAL CSIP O&M | 103,970 | 1,307,448 | 1,329,405 | 1,949,239 | 67% |
|----|---------------------------|----------------|------------------|------------------|------------------|------------|

(a) Column D has been added to provide a comparative reference

FUND 132

Salinas Valley Reclamation Project (SVRP) O&M Expenditure Report FY 2012-2013

Expenditures vs. Budget from July 1, 2012 through end of April 2013

| Preliminary Description | Apr 2013 Current Period Expenditures | Total Year-to-Date Expenditures & Commitments | FY 2011-2012(a) | FY 2012-2013 Budgeted Amount | FY 2012-2013 Percent of Budget Used |
|---------------------------------------|--|---|--|---------------------------------|---|
| | | | Expenditures & Commitments thru Apr 2012 | | |
| A | B | C | D | E | F |
| MCWRA O&M | | | | | |
| 1 Contingency | 0 | 0 | 0 | 0 | 0% |
| 2 TOTAL O&M SVRP (MCWRA) | 0 | 0 | 0 | 0 | 0% |
| MRWPCA O&M | | | | | |
| 3 MRWPCA Salaries/Benefits | 38,899 | 451,881 | 369,541 | 474,673 | 95% |
| 4 Office Expense | 0 | 627 | 1,019 | 3,000 | 21% |
| 5 Contractors | 5,250 | 49,090 | 19,122 | 115,000 | 43% |
| 6 Operating Supplies | 2,223 | 22,459 | 14,205 | 24,000 | 94% |
| 7 Lab Services | 1,421 | 28,626 | 13,972 | 21,000 | 136% |
| 8 Chemicals | 51,889 | 273,486 | 270,501 | 515,000 | 53% |
| 9 Utilities | 13,659 | 228,657 | 182,468 | 359,805 | 64% |
| 10 PM/Repairs | 31,412 | 308,430 | 337,188 | 360,000 | 86% |
| 11 Contingency | 0 | 0 | 0 | 0 | 0% |
| 12 Equipment Replacement Funds | 0 | 0 | 0 | 44,250 | 0% |
| 13 Indirect Costs | 11,198 | 107,514 | 93,252 | 180,747 | 59% |
| 14 TOTAL O&M SVRP (MRWPCA) | 155,949 | 1,470,771 | 1,301,268 | 2,097,475 | 70% |
| 15 SVRP Capital Outlay | 21,236 | 74,213 | 18,515 | 340,000 | 21.83% |
| 16 TOTAL SVRP O&M | 177,185 | 1,544,983 | 1,319,783 | 2,437,475 | 63% |

(a) Column D has been added to provide a comparative reference

FUND 134

Salinas River Diversion Facility (SRDF) O&M Expenditure Report FY 2012 - 2013

Expenditures vs. Budget from July 1, 2012 through end of April 2013

| Preliminary Description | Apr 2013 Current Period Expenditures | Total Year-to-Date Expenditures & Commitments | FY 2011 - 2012(a) | | FY 2012-2013 Percent of Budget Used |
|--|--|---|--|---------------------------------|---|
| | | | Expenditures & Commitments thru Apr 2012 | FY 2012-2013 Budgeted Amount | |
| A | B | C | D | E | F |
| MCWRA O&M | | | | | |
| 1 Communication Charges - External | 0 | 0 | 0 | 0 | 0% |
| 2.1 Earthquake Insurance | 0 | 0 | 0 | 0 | 0% |
| 2.2 Project Insurance | 0 | 0 | 0 | 0 | 0% |
| 3.1 Maintenance Svc. & Suppl. External | 0 | 7,166 | 52,533 | 7,500 | 96% |
| 3.2 Maintenance Svc. & Suppl. Internal | 0 | 5,792 | 3,699 | 0 | 0% |
| 4 Equipment Maintenance | 0 | 1,848 | 1,777 | 10,000 | 18% |
| 5 Non-Capital Equipment | 0 | 0 | 442 | 3,500 | 0% |
| 6.1 Miscellaneous Services | 0 | 0 | 77 | 0 | 0% |
| 6.2 Miscellaneous Supplies | 0 | 985 | 719 | 2,000 | 49% |
| 6.3 Minor Equip. & Furnishings | 0 | 0 | 70 | 0 | 0% |
| 7 Outside Legal Counsel | 7,655 | 70,252 | 50,000 | 50,000 | 141% |
| 8 County Counsel | 1,383 | 6,652 | 8,605 | 0 | 0% |
| 9 Lab Services | 0 | 0 | 0 | 0 | 0% |
| 10 Contractors/Consultants | 8,361 | 112,267 | 226,286 | 90,000 | 125% |
| 11 Equipment Rental Emergency Repair | 0 | 467 | 2,493 | 0 | 0% |
| 12 MCWRA Salaries/Benefits | 44,923 | 399,265 | 481,964 | 505,269 | 79% |
| 13 Water Rights & Dam Fees | 0 | 26,226 | 42,638 | 0 | 0% |
| 14 Social Services | 0 | 0 | 0 | 0 | 0% |
| 15a Publications and legal Notices | 0 | 0 | 0 | 0 | 0% |
| 15b Books/Periodicals | 0 | 438 | 0 | 0 | 0% |
| 16 Utilities | 0 | 0 | 0 | 0 | 0% |
| 17 Equipment | 0 | 0 | 7,840 | 35,000 | 0% |
| 18 Emergency Repair Contracts & Expenses | 0 | 0 | 1,042,492 | 0 | 0% |
| 19 MCWRA Salaries/Benefits SRDF Emrg Repairs | 0 | 0 | 365,341 | 0 | 0% |
| 20 Outside printers | 0 | 0 | 0 | 0 | 0% |
| 21 TOTAL O&M SRDF (MCWRA) | 62,322 | 631,358 | 2,286,976 | 703,269 | 90% |
| MRWPCA O&M | | | | | |
| 22 MRWPCA Salaries/Benefits | 11,064 | 85,879 | 103,976 | 166,849 | 51% |
| 23 Office Expense | 0 | 389 | 180 | 2,025 | 19% |
| 24 Contractors/Consultants | 0 | 5,307 | 30,540 | 15,000 | 35% |
| 25 Operating Supplies | 660 | 5,686 | 3,501 | 8,800 | 65% |
| 26 Lab Services | 227 | 14,306 | 12,609 | 39,000 | 37% |
| 27 Chemicals (chlorine) | 2,891 | 15,843 | 13,633 | 49,424 | 32% |
| 28 Utilities | 290 | 101,966 | 57,555 | 275,500 | 37% |
| 29 PM/Repairs | 3,596 | 19,403 | 6,951 | 55,000 | 35% |
| 30 Vehicle Costs | 0 | 0 | 0 | 1,800 | 0% |
| 31 Reserve Fund | 0 | 75,000 | 0 | 50,000 | 150% |
| 32 Sludge Disposal Cost | 0 | 0 | 0 | 0 | 0% |
| 33 Contingency | 0 | 0 | 0 | 12,268 | 0% |
| 34 Indirect | 1,714 | 18,141 | 17,127 | 45,118 | 40% |
| 35 Capital Outlay | 0 | 0 | 0 | 0 | 0% |
| 36 TOTAL O&M SRDF (MRWPCA) | 20,441 | 341,919 | 246,072 | 720,784 | 47% |
| 37 TOTAL SRDF O&M | 82,763 | 973,276 | 2,533,048 | 1,424,053 | 68% |

(a) Column D has been added to provide a comparative reference

Utility Cost Summary

July 1 through April 30, 2013 - 83% of Budget Cycle

FY 2012-2013 - Utility Budgets

| | Fiscal Year Budget Amount | Water Budget (Acre-Feet) | Calculated Unit Cost (\$ / Ac-Ft) |
|------|------------------------------|-----------------------------|---|
| CSIP | \$ 351,950 | 2,050 | \$ 171.68 |
| SVRP | \$ 359,805 | 13,750 | \$ 26.17 |
| SRDF | \$ 275,500 | 5,000 | \$ 55.10 |
| | | 20,800 | |

FY 2012-2013 - Actual Utility Expenditures

| | Utility Expenditures Thru Mar 2013 | Delivered Water (Acre-Feet) | Calculated Unit Cost (\$ / Ac-Ft) | Percent Budget Expended |
|------|--|--------------------------------|---|-------------------------------|
| CSIP | \$ 230,057 | 1,834 | \$ 125.44 | 65% |
| SVRP | \$ 228,657 | 11,214 | \$ 20.39 | 64% |
| SRDF | \$ 101,966 | 2,672 | \$ 38.16 | 37% |
| | | 15,720 | | |

Comparison with Prior Fiscal Year (2011-2012)

| | Utility Expenditures Thru Mar 2012 | Delivered Water (Acre-Feet) | Calculated Unit Cost (\$ / Ac-Ft) |
|------|--|--------------------------------|---|
| CSIP | \$ 334,625 | 3,758 | \$ 89.04 |
| SVRP | \$ 182,468 | 8,276 | \$ 22.05 |
| SRDF | \$ 57,555 | 1,854 | \$ 31.04 |
| | | 13,888 | |

Monterey County Water Resources Agency
April 2013
Actual vs. Total Year Budget Revenue

| <u>Category</u> | YTD April Actual | FY 12/13 Estimate (used for FY 13/14 Bgt) | Actual as a % of Total Year Estimate | Remarks |
|-----------------------------|---------------------|---|--------------------------------------|--|
| Ad Valorem taxes | \$1,847,624 | \$1,855,980 | 100% | Actual includes other tax revenue for one-time low & moderate Income Housing distribution of assets \$60,589 |
| Assessments | 12,760,838 | 12,772,158 | 100% | |
| Development & Other fees | 367,006 | 398,327 | 92% | |
| Water Delivery Revenue | 595,030 | 1,348,761 | 44% | Water Delivery revenue thru November 2012 less \$250k held back for December -March expenses. Total year assessments with no COLA estimated to be \$1,348,761 |
| Royalties | 282,932 | 412,964 | 69% | \$292,932 prior year settlement of disputed charges received. \$130,032 received in May for current year. |
| Grants | 1,289,355 | 1,093,352 | 118% | \$217,197 for fish monitoring expts thru 6/30/12 was not received by 9/30/12 and is FY 2012-13 revenue. Budget includes revision for Pajaro Phase 1 Bench Excavation Project of \$1,116,500 - Received \$934,707 for all payments made to date |
| Hydroelectric Revenue | 162,880 | 1,000,000 | 16% | Hydroelectric plant not generating revenue due to repairs |
| County Reimbursement | 426,014 | 427,808 | 100% | Risk Mgmt reimbursement of prior year legal fees received \$170,933. Partial fuel spill reimbursement received \$255,081. |
| Cal-Am Reimbursement | 0 | 644,290 | 0% | |
| Insurance reimbursement | 0 | 1,300,000 | 0% | FY 12/13 est insurance reimbursement for hydro repairs |
| Interest, Rent, & Other | 243,713 | 176,376 | 138% | Rent is collected at the beginning of the fiscal year and is higher than budget. Redevelopment funds refunded \$49,575 |
| Inter-fund transfer revenue | 1,500,000 | 1,835,556 | 82% | Includes budget revision for transfer of \$1.3m from Fund 303 CSIP to Fund 130 Hydro O&M for emergency repairs. Transfer of \$335,556 From Fund 116 to Fund 115 will be made when total fuel spill funds are received from the County |
| Total Revenue | \$19,475,392 | \$23,265,572 | 84% | |

Monterey County Water Resources Agency
April 2013
Actual vs. Total Year Budget Obligations

| <u>Category</u> | YTD April Actual Obligations | FY 12-13 Estimate (Used for FY 13/14 Bgt) | Actual as a % of Total Year Estimate | Remarks |
|---|------------------------------|---|--------------------------------------|--|
| Salaries & Benefits | \$3,819,841 | \$4,950,384 | 77% | 3 Vacant positions |
| Consultants | 4,551,037 | 8,222,070 | 55% | Timing differences in expenditures including Naci & hydro emergency repairs payments. Estimate includes \$350,000 for 11043 permit legal fees offset by other consultant savings. PCA second O&M payment will be made in May. |
| Services & Supplies | 1,613,321 | 2,520,656 | 64% | Cost Plan Savings \$112,956/Timing differences in expenditures |
| Fixed Assets | 1,077,298 | 1,135,274 | 95% | 3 vehicles not leased, SRDF filter piping & sand barrier not spent. Budget revised for Pajaro Bench Excavation Project Phase 1 - Estimated costs are \$181,793 lower. Blanco Drain pump \$100,000 will not be spent on FY 2012/13. |
| Debt payments | 5,735,966 | 5,883,000 | 98% | USBR loan payment contingency not needed. Pajaro payment of \$67,000 for the County loan will be made in June. |
| Settlement costs | 66,621 | 66,621 | 100% | |
| Inter-fund transfer expenditure | 1,500,000 | 1,835,556 | 82% | Includes budget revision of \$1.3m for transfer from Fund 303 CSIP to Fund 130 Hydro O&M for emergency repairs. Transfer of \$335,556 From Fund 116 to Fund 115 will be made when fuel spill funds are received from the County |
| Labor Cost charges from Fund 111 & ALERT charges from Fund 113 charged to various funds | 5,836,286 | 7,223,144 | 81% | |
| Inter-fund reimbursement of expenses in Fund 111 and Fund 113 | (5,836,286) | (7,223,144) | 81% | |
| Total Obligations | \$18,364,084 | \$24,613,561 | 75% | |

MONTEREY COUNTY WATER RESOURCES AGENCY
 FISCAL YEAR 2012-2013
 FUND 111 ADMINISTRATION - MONTHLY BUDGET REVIEW
 THROUGH APRIL 2013

83%

| | Account | Current Year Modified Budget | Current Year Estimate | Current Month Expenditures | Current Year PO Balances | Current Year YTD Expenditures | Total YTD Obligations | Prior year YTD Expenditures | Current Year vs. Prior year Expenditures | Explanations | |
|----|---|------------------------------|-----------------------|----------------------------|--------------------------|-------------------------------|-----------------------|-----------------------------|--|--|-----|
| | Salaries and Benefits | | | | | | | | | | |
| 1 | Regular Employees 6111 | 3,783,554 | 3,533,448 | 270,220 | | 2,705,928 | 2,705,928 | 3,283,741 | (577,813) | 3 budgeted vacant positions | 1 |
| 2 | County Temporary Employees 6112 | 0 | 12,000 | 2,635 | | 17,792 | 17,792 | 0 | 17,792 | Worker | 2 |
| 3 | Emergency Overtime 6113 | 10,000 | 10,000 | 356 | | 5,793 | 5,793 | 4,798 | 995 | | 3 |
| 4 | Pers 6121 | 556,286 | 514,980 | 38,445 | | 392,839 | 392,839 | 474,517 | (81,678) | | 4 |
| 5 | Other Post Retirement Benefits 6122 | 34,965 | 34,965 | 2,914 | | 29,138 | 29,138 | 31,220 | (2,083) | | 5 |
| 6 | Social Security - FICA 6131 | 69,415 | 63,894 | 5,185 | | 44,809 | 44,809 | 5,219 | 39,590 | | 6 |
| 7 | Social Security - Medicare 6132 | 53,942 | 51,407 | 3,845 | | 38,231 | 38,231 | 45,729 | (7,498) | | 7 |
| 8 | Life Insurance 6142 | 4,301 | 4,301 | 313 | | 2,728 | 2,728 | 2,987 | (259) | | 8 |
| 9 | Long Term/Short Term Disability Insurance 6143/44 | 11,856 | 5,760 | 894 | | 5,179 | 5,179 | 3,391 | 1,788 | | 9 |
| 10 | Unemployment Insurance 6148 | 20,258 | 20,258 | 1,688 | | 16,881 | 16,881 | 18,491 | (1,610) | | 10 |
| 11 | Workers Compensation Insurance 6161 | 66,697 | 72,221 | 6,018 | | 60,184 | 60,184 | 68,746 | (8,562) | Budget revised by CAO for final budget from Auditor/Controller | 11 |
| 12 | Employee Assistance Program 6171 | 1,158 | 1,158 | 66 | | 790 | 790 | 1,088 | (298) | | 12 |
| 13 | Special Benefits 6174 | 35,984 | 27,883 | 1,552 | | 19,170 | 19,170 | 43,287 | (24,116) | | 13 |
| 14 | Wellness Plan 6175 | 3,955 | 3,955 | 515 | | 1,516 | 1,516 | 1,994 | (478) | | 14 |
| | 6141/45/47 & 6173 | | | | | | | | | | |
| 15 | Flex Benefit: (Medical, Dental, Vision) 6173 | 568,323 | 594,154 | 54,679 | | 478,862 | 478,862 | 465,113 | 13,749 | | 15 |
| 16 | Salaries and Benefits TOTAL | 5,220,694 | 4,950,384 | 389,324 | 0 | 3,819,841 | 3,819,841 | 4,450,320 | (630,479) | | 16 |
| | Services and Supplies | | | | | | | | | | |
| 17 | Uniforms & Safety Equipment 6222 | 950 | 2,500 | 0 | | 533 | 533 | 2,597 | (2,064) | | 17 |
| 18 | Communication Charges - External 6231 | 13,500 | 7,000 | 469 | 100 | 3,914 | 4,014 | 3,261 | 653 | | 18 |
| 19 | Communication Charges - Internal 6232 | 59,523 | 53,923 | 292 | | 31,670 | 31,670 | 44,207 | (12,537) | Total year County est charge for telecommunications | 19 |
| 20 | Food Refreshments 6241 | 3,200 | 3,200 | 100 | 271 | 1,896 | 2,167 | 1,970 | (74) | | 20 |
| 21 | Janitorial Supplies & Services 6251 | 15,000 | 17,000 | 2,182 | 2,721 | 12,871 | 15,592 | 12,707 | 164 | Total includes blanket POs that may not be spent | 21 |
| 22 | Laundry Supplies and Service 6252 | 3,000 | 3,000 | 61 | 216 | 659 | 875 | 614 | 45 | | 22 |
| 23 | General Liability Insurance 6261/62 | 58,363 | 58,363 | 4,864 | | 48,636 | 48,636 | 97,238 | (48,602) | | 23 |
| 24 | Property Insurance 6266 | 6,984 | 6,984 | 0 | | 0 | 0 | 0 | 0 | | 24 |
| 25 | Insurance Unit Allocation 6268 | 14,282 | 14,282 | 232 | | 10,810 | 10,810 | 10,127 | 684 | | 25 |
| 26 | Bldg & Improvements Maint - External 6311 | 24,000 | 24,000 | 903 | 3,792 | 17,114 | 20,906 | 8,775 | 8,339 | | 26 |
| 27 | Bldg & Improvements Maint - Internal 6312 | 0 | 0 | 0 | | 0 | 0 | 8,250 | (8,250) | Prior year Public Works charge re Regional Project | 25a |
| 28 | Equipment Maintenance 6321 | 29,000 | 35,000 | 1,019 | 8,459 | 22,609 | 31,068 | 20,376 | 2,232 | Total includes blanket POs that may not be spent | 28 |
| 29 | Membership Fees 6351 | 16,000 | 16,000 | 0 | | 2,864 | 2,864 | 13,502 | (10,638) | | 29 |
| 30 | Non-Capital Equipment 6361 | 9,000 | 9,000 | 0 | | 162 | 162 | 6,776 | (6,614) | | 30 |
| 31 | Advertising 6381 | 1,000 | 2,000 | 0 | | 2,129 | 2,129 | 0 | 2,129 | Mainly Finance Manager recruitment | 31 |
| 32 | Audio-Visual Service & Supply 6382 | 250 | 0 | 0 | | 0 | 0 | 0 | 0 | | 32 |
| 33 | Miscellaneous Services 6383 | 500 | 500 | 0 | | 350 | 350 | 248 | 102 | | 33 |
| 34 | Miscellaneous Supplies 6384 | 500 | 500 | 0 | | 402 | 402 | 543 | (142) | | 34 |
| 35 | Books and Periodicals 6401 | 2,400 | 2,400 | 0 | | 473 | 473 | 1,685 | (1,212) | | 35 |
| 36 | Bottled Water 6402 | 1,350 | 1,350 | 183 | 454 | 892 | 1,346 | 857 | 35 | | 36 |
| 37 | Courier Service & Mail - External 6404 | 3,000 | 3,000 | 202 | 1,069 | 1,931 | 3,000 | 1,749 | 182 | | 37 |
| 38 | Courier Service & Mail - Internal 6405/06 | 8,410 | 8,410 | (467) | | 6,929 | 6,929 | 6,554 | 375 | | 38 |
| 39 | Minor Computer Hardware 6407 | 22,206 | 22,206 | 842 | 2,515 | 11,701 | 14,216 | 17,788 | (6,087) | | 39 |
| 40 | Minor Computer Software 6408 | 33,100 | 33,100 | 705 | 14,697 | 10,678 | 25,375 | 14,010 | (3,333) | | 40 |
| 41 | Minor Equipment and Furnishings 6409 | 6,000 | 6,000 | 0 | 1,000 | 2,326 | 3,326 | 709 | 1,617 | | 41 |
| 42 | Office Supplies 6410 | 25,000 | 25,000 | 2,433 | 2,896 | 13,057 | 15,954 | 11,414 | 1,644 | | 42 |

MONTEREY COUNTY WATER RESOURCES AGENCY
FISCAL YEAR 2012-2013
FUND 111 ADMINISTRATION - MONTHLY BUDGET REVIEW
THROUGH APRIL 2013

83%

| | Account | Current Year Modified Budget | Current Year Estimate | Current Month Expenditures | Current Year PO Balances | Current Year YTD Expenditures | Total YTD Obligations | Prior year YTD Expenditures | Current Year vs. Prior year Expenditures | Explanations | | |
|----|---|------------------------------|-----------------------|----------------------------|--------------------------|-------------------------------|-----------------------|-----------------------------|--|---|--|----|
| 43 | Postage and Shipping | 6411 | 9,000 | 9,000 | 1,655 | 6,877 | 6,877 | 4,715 | 2,162 | | 43 | |
| 44 | Printing, Graphics & Binding - External | 6412 | 1,000 | 1,000 | 0 | 352 | 352 | 66 | 286 | | 44 | |
| 45 | Printing, Graphics & Binding - Internal | 6413 | 1,470 | 1,470 | 0 | 1,153 | 1,153 | 1,442 | (289) | Total year County est charge for graphics | 45 | |
| 46 | Other Office Expense | 6414 | 1,000 | 1,000 | 0 | 137 | 137 | | 137 | | 46 | |
| 47 | County Records Retention Charge | 6415 | 512 | 512 | 0 | 512 | 512 | 643 | (131) | Total year County est charge for records retention | 47 | |
| 48 | County Accounting & Auditing charges | 6601 | 13,296 | 13,296 | 251 | 7,621 | 7,621 | 12,632 | (5,012) | Includes annual audit charge \$5,108 | 48 | |
| 49 | Data Processing Charges - Internal | 6603 | 172,957 | 173,370 | 2,085 | 164,225 | 164,225 | 166,682 | (2,457) | Includes total year County est IT Dept charge \$143,376 | 49 | |
| 50 | Legal Services - External | 6606 | 100,000 | 411,454 | 12,975 | 56,839 | 14,614 | 71,454 | (208,335) | Reopened Remcho PO not spent last year \$31,454 | 50 | |
| 51 | Legal Services - Internal | 6607 | 30,500 | 60,000 | 4,689 | 50,679 | 50,679 | 47,902 | 2,777 | Only July - March booked | 51 | |
| 52 | Other Medical Services | 6608 | 500 | 500 | 0 | 60 | 60 | 150 | (90) | | 52 | |
| 53 | Other Personnel Costs (Recruitmant) | 6609 | 98,000 | 400 | 0 | 342 | 342 | 14,652 | (14,310) | | 53 | |
| 54 | Temporary Help Services | 6612 | 8,500 | 7,000 | 0 | 725 | 3,775 | 4,500 | 4,651 | (876) | | 54 |
| 53 | Other Prof & Spec Svcs - Consultants | 6613 | 37,000 | 40,669 | 0 | 19,980 | 5,689 | 25,669 | 16,761 | (11,072) | | 53 |
| 54 | Other Prof Svcs - Consultants-Interim GM | 6613 | 0 | 162,522 | 18,000 | | 162,522 | 72,010 | 90,512 | Budget assumed GM hired 7/1/12 | 54 | |
| 55 | Other Prof & Spec Services-BOD Fees, etc. | 6613 | 23,900 | 23,900 | 1,300 | | 10,700 | 10,700 | 11,250 | (550) | | 55 |
| 56 | Publications and Legal Notices | 6801 | 1,500 | 1,500 | 0 | | 0 | | 0 | | 56 | |
| 57 | Rents & Leases - Buildings | 6811 | 251,039 | 251,039 | 20,510 | | 205,097 | 163,949 | 41,148 | | 57 | |
| 58 | Rents & Leases-Equip- Data Processing | 6821 | 3,808 | 15,000 | 3,108 | 763 | 16,248 | 17,010 | 15,017 | 1,230 | Most computers leased not purchased | 58 |
| 59 | Rents & Leases-Equip- Copy machines | 6821 | 24,000 | 24,000 | 5,349 | 1,861 | 14,818 | 16,678 | 17,820 | (3,002) | | 59 |
| 60 | Rents & Leases - Equip - General | 6821 | 1,000 | 1,000 | 0 | | 0 | | 0 | | 60 | |
| 61 | Other Special Dept Expense | 6835 | 3,681 | 3,681 | (577) | | 3,844 | 3,844 | 3,269 | 575 | Mainly moving expense (Fee refund in month) | 61 |
| 62 | Conference/Lodging/Meals/Travel | 6861/62 | 12,000 | 12,000 | 204 | | 4,817 | 4,817 | 11,151 | (6,334) | | 62 |
| 63 | Employee Training | 6861 | 8,000 | 8,000 | 30 | | 3,114 | 3,114 | 4,030 | (917) | | 63 |
| 64 | County Training Charge | 6611 | 4,992 | 6,092 | 0 | | 6,048 | 6,048 | 3,264 | 2,784 | Total year County est charge for training services | 64 |
| 65 | Employee moving expense | 6863 | 0 | 10,000 | | | | | | | | 65 |
| 66 | Fleet Service Charge (Fuel & misc maint) | 6864 | 85,075 | 85,075 | 6,522 | | 57,997 | 57,997 | 84,158 | (26,161) | Only July - March booked | 66 |
| 67 | Non-Employee Travel | 6861 | 0 | 0 | | | 0 | 231 | (231) | | | 67 |
| 68 | Vehicle Maint - Outside Vendor | 6866 | 54,000 | 54,000 | 1,255 | 3,655 | 33,646 | 37,301 | 26,992 | 6,654 | | 68 |
| 69 | Utilities | 6881 | 6,500 | 6,500 | 285 | 155 | 4,076 | 4,231 | 4,369 | (293) | Only July - March booked | 69 |
| 70 | Canyon Del Rey Master Drainage Plan | 7013 | 60,000 | 60,000 | 0 | | 0 | 0 | 0 | | Budget modification made for Canyon Del Rey drainage plan | 70 |
| 71 | Interest charges by Cal-Am | 9082 | 0 | 0 | 0 | | 0 | 2,930 | (2,930) | | | 71 |
| 72 | Rights of Way | 7101 | 3,250 | 3,250 | 0 | | 3,250 | 3,250 | 3,250 | 0 | Annual right of way charge \$3,250 | 72 |
| 73 | Taxes & Assessments | 7121 | 640 | 640 | 0 | | 570 | 570 | 605 | (35) | | 73 |
| 74 | Cost Plan Charges (Adjusted Budget) | 7301 | 254,614 | 254,614 | 0 | | 190,961 | 190,961 | 319,450 | (128,489) | Budget revised by CAO for final budget from Auditor/Controller | 74 |
| 75 | Balance still in budget for higher Cost Plan amount | 6835 | 225,910 | 0 | 0 | | 0 | 0 | 0 | | | 75 |
| 76 | Services & Supplies | TOTAL | 1,854,162 | 2,057,202 | 91,659 | 122,168 | 1,178,349 | 1,300,517 | 1,522,945 | (344,596) | | 76 |
| | Fixed Assets | | | | | | | | | | | |
| 72 | Equipment | 7531 | 0 | 0 | 0 | | 0 | 14,800 | (14,800) | | | 72 |
| 73 | Capital Leases - Equipment | 7561 | 69,502 | 51,491 | 3,966 | 7,932 | 39,659 | 47,591 | 45,077 | (5,418) | | 73 |
| 74 | Fixed Assets | TOTAL | 69,502 | 51,491 | 3,966 | 7,932 | 39,659 | 47,591 | 59,877 | (20,218) | | 74 |
| 75 | Operating Transfers Out | 7614 | 0 | 0 | 0 | | 0 | 266,000 | (266,000) | | | 75 |
| 76 | GRAND TOTAL EXPENSES | | 7,144,358 | 7,059,077 | 484,949 | 130,100 | 5,037,849 | 5,167,949 | 6,299,141 | (1,261,293) | | 76 |

(Before inter-fund expense reimbursement)

MONTEREY COUNTY WATER RESOURCES AGENCY
FY 2012-2013 Budget
Expenditure Report by Fund
Through April 2013
83%

| LN # | Program Name | Zone | Fund | Prog | Modified Budget | Current Year Estimate | Current Month Expenditures | Current Year PO Balances | Current Year YTD Expenditures | Total Obligations | Prior Year YTD Expenditures | Current Year vs. Prior Year Expenditures | COMMENTS | LN # |
|--|---|------|------|------|------------------|-----------------------|----------------------------|--------------------------|-------------------------------|-------------------|-----------------------------|--|--|------|
| Countywide | | | | | | | | | | | | | | |
| 1 | County Wide Hydrology & Water Quality Program | CW | 113 | 9010 | 139,008 | 37,270 | 0 | 4,178 | 26,688 | 30,866 | 131,989 | (105,301) | | 1 |
| 2 | Flood Plain Management & Land Use Planning | CW | 113 | 9030 | 399,213 | 357,664 | 48,193 | 84,201 | 340,989 | 425,189 | 260,756 | 80,232 | Encumbrance for grant related consultant to be reduced \$95k | 2 |
| 3 | ALERT Syst Operation & Maint/Flood Monitoring | CW | 113 | 9035 | 81,954 | 43,129 | 10,267 | 18,183 | 41,533 | 59,715 | 16,420 | 25,113 | ALERT transfer to other funds made in January | 3 |
| 4 | County Wide Water Resources Review-Reimbursed | CW | 113 | 9041 | 445,033 | 497,123 | 38,969 | | 443,977 | 443,977 | 305,023 | 138,954 | Budget was modified by \$100k transfer from Fund 114 | 4 |
| 6 | Special Projects | CW | 113 | 9050 | 0 | 21,459 | 0 | | 17,093 | 17,093 | 24,788 | (7,695) | | 6 |
| 7 | Special Projects - County General Plan | CW | 113 | 9051 | 0 | | 0 | | 0 | 0 | 40,205 | (40,205) | | 7 |
| 8 | Environmental Compliance | CW | 113 | 9052 | 0 | | 0 | | 0 | 0 | 0 | 0 | | 8 |
| 9 | Total | | | | 1,065,208 | 956,645 | 97,429 | 106,561 | 870,279 | 976,841 | 779,181 | 91,098 | | 9 |
| Pajaro Levee | | | | | | | | | | | | | | |
| 10 | Pajaro River Levee | 1 | 112 | 9100 | 1,667,365 | 1,413,051 | 26,258 | 1,837 | 1,148,407 | 1,150,244 | 288,017 | 860,390 | Budget includes revision for Pajaro Phase 1 Bench | 10 |
| 11 | Environmental Compliance | 1 | 112 | 9100 | 0 | | 0 | | 0 | 0 | 0 | 0 | Excavation Project of \$1,116,500 - Estimated Phase 1 cost | 11 |
| 12 | Prop 218 | 1 | 112 | 9100 | 0 | | 0 | | | | | | is \$953,783 | 12 |
| 13 | Total | | | | 1,667,365 | 1,413,051 | 26,258 | 1,837 | 1,148,407 | 1,150,244 | 288,017 | 860,390 | | 13 |
| Zone 2 Nacimiento Non - O&M | | | | | | | | | | | | | | |
| 14 | Nacimiento Taxes & Reimbursement | 2 | 114 | 9211 | 51,389 | 51,236 | 0 | | 51,236 | 51,236 | 50,381 | 854 | | 14 |
| 15 | Hydrology & Water Quality Program | 2 | 114 | 9245 | 338,256 | 394,452 | 13,058 | | 230,013 | 230,013 | 320,420 | (90,407) | | 15 |
| 16 | Lake Nacimiento Dock Registration | 2 | 114 | 9260 | 19,128 | 15,695 | 1,507 | | 8,044 | 8,044 | 4,800 | 3,244 | | 16 |
| 17 | Transfer to to other funds - Funds 134, 113 & 116 | 2 | 114 | 9265 | 230,000 | 200,000 | 0 | | 200,000 | 200,000 | 118,000 | 82,000 | Budget was modified to transfer funds to Fund 113 & 116 | 17 |
| 18 | Special Projects - Urban Water Solutions | 2 | 114 | 9271 | 85,495 | 51,778 | 0 | | 0 | 0 | 0 | 0 | | 18 |
| 19 | Environmental Compliance | 2 | 114 | 9272 | 0 | 12,362 | 0 | | 4,800 | 4,800 | 0 | 4,800 | | 19 |
| 20 | Total | | | | 724,268 | 725,523 | 14,565 | 0 | 494,092 | 494,092 | 493,602 | 491 | | 20 |
| Zone 2A San Antonio Non - O & M | | | | | | | | | | | | | | |
| 21 | Hydrology & Water Quality Program | 2A | 115 | 9530 | 234,919 | 260,674 | 11,563 | | 215,323 | 215,323 | 188,510 | 26,813 | | 21 |
| 22 | Well Permits/Well Logs | 2A | 115 | 9540 | 53,572 | 77,528 | 15,184 | | 104,284 | 104,284 | 53,243 | 51,042 | | 22 |
| 23 | Salinas Valley Water Quality/Nitrate TAC | 2A | 115 | 9559 | 73,530 | 41,287 | 1,403 | | 17,946 | 17,946 | 24,595 | (6,649) | | 23 |
| 24 | Environmental Compliance | 2A | 115 | 9561 | 6,726 | 4,046 | 0 | | 0 | 0 | 0 | 0 | | 24 |
| 25 | Transfer to SRDF O&M Fund 134 | 2A | 115 | 9596 | 50,000 | 0 | 0 | | 0 | 0 | 0 | 0 | | 25 |
| 26 | Special Projects | 2A | 115 | 9597 | 90,086 | 48,514 | 0 | | 0 | 0 | 13,350 | (13,350) | | 26 |
| 27 | Special Projects - Fish Monitoring consultant | 2A | 115 | 9597 | 335,556 | 345,000 | 34,238 | 46,994 | 74,576 | 121,570 | 0 | 74,576 | Budget modified for fish monitoring consultant \$355,556 | 27 |
| 28 | Special Projects - EPA Grants | 2A | 115 | 9599 | 25,779 | 57,030 | 245 | | 47,876 | 47,876 | 114,484 | (66,608) | Refund of prior year EPA grant revenue in Dec \$36,248.79 | 28 |
| 29 | Total | | | | 870,168 | 834,079 | 62,632 | 46,994 | 460,005 | 506,999 | 394,182 | 65,823 | | 29 |

MONTEREY COUNTY WATER RESOURCES AGENCY
FY 2012-2013 Budget
Expenditure Report by Fund
Through April 2013
83%

| LN # | Program Name | Zone | Fund | Prog | Modified Budget | Current Year Estimate | Current Month Expenditures | Current Year PO Balances | Current Year YTD Expenditures | Total Obligations | Prior Year YTD Expenditures | Current Year vs. Prior Year Expenditures | COMMENTS | LN # |
|------|--|------|------|------|-----------------|-----------------------|----------------------------|--------------------------|-------------------------------|-------------------|-----------------------------|--|---|------|
| | Zone 2C Operations | | | | | | | | | | | | Budget was modified by \$189k for Nacimiento emergency repairs consultants & addl labor | |
| 30 | Nacimiento Dam Operation & Maintenance | 2C | 116 | 9910 | 746,588 | 832,322 | 114,834 | 82,036 | 757,226 | 839,262 | 511,504 | 245,722 | | 30 |
| 31 | Nacimiento Administration | 2C | 116 | 9915 | 48,653 | 47,504 | 0 | | 35,396 | 35,396 | 37,596 | (2,200) | | 31 |
| 32 | San Antonio Dam Operation & Maintenance | 2C | 116 | 9920 | 563,765 | 490,163 | 33,229 | 92,826 | 359,814 | 452,640 | 371,775 | (11,961) | | 32 |
| 33 | San Antonio Administration | 2C | 116 | 9925 | 58,107 | 51,488 | 0 | | 37,160 | 37,160 | 39,588 | (2,428) | | 33 |
| 34 | Salinas River Channel | 2C | 116 | 9935 | 340,492 | 375,177 | 14,321 | 18,858 | 448,405 | 467,263 | 154,740 | 293,665 | Higher labor costs than budgeted or estimated | 34 |
| 35 | Salinas River Mouth | 2C | 116 | 9940 | 159,489 | 148,085 | 2,035 | 167,609 | 71,856 | 239,465 | 95,169 | (23,313) | Reopened purchase order for EIR \$109,596 will be reduced to \$25,000 | 35 |
| 36 | Reservoir Oper Hydrology & Water Quality Prog. | 2C | 116 | 9945 | 1,349,232 | 1,182,582 | 54,660 | 33,696 | 824,151 | 857,847 | 1,003,822 | (179,671) | | 36 |
| 37 | ALERT Transfer Out | 2C | 116 | 9950 | 255,895 | 242,664 | 0 | | 158,632 | 158,632 | 176,298 | (17,666) | | 37 |
| 38 | Transfer to Fund 115 for fish monitoring | 2C | 116 | | 335,556 | 335,556 | 0 | | 0 | 0 | 0 | 0 | Budget modified for transfer to Fund 114 for fish monitoring | 38 |
| 39 | Ground Water Extraction/Data Collection | 2C | 116 | 9955 | 82,245 | 56,017 | 20,535 | | 74,387 | 74,387 | 0 | 74,387 | | 39 |
| 40 | Reimbursable from County | 2C | 116 | 9956 | 1,476 | 1,476 | (12,299) | 1,476 | (12,299) | (10,823) | 124,259 | (136,559) | Accrued fuel clean-up costs were paid by County Risk Dept | 40 |
| 41 | Total | | | | 3,941,498 | 3,763,034 | 227,315 | 396,501 | 2,754,728 | 3,151,229 | 2,514,752 | 239,976 | | 41 |
| | Zone 2C Administration | | | | | | | | | | | | | |
| 42 | Zone 2C Administration Assessment Roll | 2C | 116 | 9970 | 125,407 | 143,354 | 16,956 | | 108,230 | 108,230 | 109,457 | (1,227) | | 42 |
| 43 | Zone 2C Administration Other | 2C | 116 | 9975 | 221,621 | 208,029 | 1,422 | 42,163 | 72,817 | 114,980 | 138,068 | (65,250) | | 43 |
| 44 | Total | | | | 347,028 | 351,383 | 18,377 | 42,163 | 181,047 | 223,210 | 247,525 | (66,477) | | 11 |
| 45 | SVWP Bond Revenue Fund | 2C | 133 | 9987 | 2,037,264 | 2,036,889 | | | 2,036,886 | 2,036,886 | 1,979,491 | 57,395 | All payments made for FY 2012-13 | 45 |
| | Total | | | | | | | | | | | | | |
| 46 | Salinas River Diversion Facility O&M | 3 | 134 | 9988 | 1,091,850 | 1,219,947 | 29,434 | 41,176 | 534,814 | 575,990 | 1,702,630 | (1,167,816) | PCA O&M booked for July - Nov 2012 | 46 |
| 47 | Fish Monitoring | 3 | 134 | 9989 | 329,461 | 244,189 | 32,887 | 4,225 | 259,173 | 263,398 | 579,686 | (320,513) | | 47 |
| 48 | Flow Monitoring | 3 | 134 | 9990 | 0 | | 0 | | 0 | 0 | 699 | (699) | | 48 |
| 49 | Water Quality Monitoring | 3 | 134 | 9991 | 0 | | 0 | | 3,514 | 3,514 | 0 | 3,514 | | 49 |
| 50 | Invasive Species | 3 | 134 | 9992 | 0 | | 0 | | 0 | 0 | 0 | 0 | | 50 |
| 51 | Environmental Compliance | 3 | 134 | 9993 | 6,999 | 9,434 | 0 | | 7,514 | 7,514 | 0 | 7,514 | | 51 |
| 52 | Total | | | | 1,428,310 | 1,473,570 | 62,322 | 45,401 | 805,015 | 850,416 | 2,283,016 | (1,478,000) | | 52 |
| 53 | Lower Salinas River Channel | 3 | 117 | 9620 | 72,317 | 56,629 | 17,393 | 15,107 | 20,048 | 35,155 | 29,778 | (9,729) | Budget modified for delayed channel maintenance EIR purchase order of \$30,000 | 53 |
| 54 | Merritt Lake | 5 | 118 | 9630 | 32,914 | 33,400 | 310 | 1,000 | 24,839 | 25,839 | 22,704 | 2,135 | | 54 |
| 55 | CSIP Transfer & Water Conservation Update | 6 | 119 | 9660 | 145,213 | 148,013 | 5,740 | | 109,600 | 109,600 | 153,621 | (44,021) | | 55 |
| 56 | CSIP Operation & Maintenance | 2Y | 131 | 9643 | 2,084,913 | 2,114,200 | 36,093 | 106,739 | 982,072 | 1,088,810 | 904,771 | 77,301 | | 56 |

MONTEREY COUNTY WATER RESOURCES AGENCY
FY 2012-2013 Budget
Expenditure Report by Fund
Through April 2013
83%

| LN # | Program Name | Zone | Fund | Prog | Modified Budget | Current Year Estimate | Current Month Expenditures | Current Year PO Balances | Current Year YTD Expenditures | Total Obligations | Prior Year YTD Expenditures | Current Year vs. Prior Year Expenditures | COMMENTS | LN # |
|------|--|------|------|------|-----------------|-----------------------|----------------------------|--------------------------|-------------------------------|-------------------|-----------------------------|--|--|------|
| 57 | SVRP Operation & Maintenance | 2Z | 132 | 9644 | 3,956,128 | 3,898,879 | 1,194,601 | | 2,817,930 | 2,817,930 | 2,761,489 | 56,441 | Payment for USBR loan will be made in aPPRIL 2013 | 57 |
| 58 | CSIP/SVRP Debt Service | 2B | 303 | 9666 | 3,224,360 | 3,224,360 | 1,876,291 | | 3,176,291 | 3,176,291 | 1,900,169 | 1,276,122 | Budget & Actual includes modification of \$1.3m for transfer to Fund 130 Hydroelectric O&M for emergency repairs | 58 |
| 59 | North Monterey County | 7 | 120 | 9690 | 4,843 | 4,896 | 0 | | 0 | 0 | 0 | 0 | | 59 |
| 60 | Soledad Storm Drain - Bryant Canyon Project | 8 | 121 | 9700 | 173,333 | 149,630 | 2,440 | 30,000 | 37,757 | 67,757 | 79,452 | (41,694) | Budget modified for delayed channel maintenance EIR purchase order of \$30,000 and \$15,000 Schaaf & Wheeler | 60 |
| 61 | Prop 218 (With City of Soledad) | 8 | 121 | 9700 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 61 |
| 62 | Total | | | | 173,333 | 149,630 | 2,440 | 30,000 | 37,757 | 67,757 | 79,452 | (41,694) | | 0 |
| 63 | Reclamation Ditch Operation & Maintenance | 9 | 122 | 9720 | 1,424,918 | 1,375,999 | 85,003 | 61,525 | 898,064 | 959,589 | 1,167,029 | (268,965) | | 63 |
| 64 | Environmental Compliance / EIR | 9 | 122 | 9723 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 64 |
| 65 | Prop 218 | 9 | 122 | 9724 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 65 |
| 66 | Easements/Acquisition | 9 | 122 | 9725 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | | 66 |
| 67 | Total | | | | 1,424,918 | 1,375,999 | 85,003 | 61,525 | 898,064 | 959,589 | 1,167,029 | (268,965) | | 67 |
| 68 | Monterey Peninsula (Carmel Valley) | 11 | 123 | 9750 | 38,258 | 37,402 | 0 | 1,170 | 24,582 | 25,752 | 38,375 | (13,792) | | 68 |
| 69 | San Lorenzo Creek | 12 | 124 | 9760 | 63,579 | 59,561 | 0 | 31,170 | 25,101 | 56,271 | 30,477 | (5,376) | Budget modified for delayed channel maintenance EIR purchase order of \$30,000 | 69 |
| 70 | Arroyo Seco Area | 14 | 125 | 9765 | 2,025 | 2,025 | 0 | 500 | 1,500 | 2,000 | 2,000 | (500) | | 70 |
| 71 | Carnation Subdivision (Alisal-Spence Roads) | 15 | 126 | 9770 | 20,331 | 13,997 | 122 | 0 | 1,078 | 1,078 | 4,425 | (3,347) | | 71 |
| 72 | Moro Cojo Slough (Castroville/Moss Landing) | 17 | 127 | 9780 | 88,530 | 60,859 | 0 | 0 | 14,464 | 14,464 | 25,310 | (10,845) | | 72 |
| 73 | Storm Drain Maint. District # 2 (Blanco Drain) | S2 | 128 | 9860 | 118,399 | 18,160 | 31 | 1,540 | 8,478 | 10,018 | 13,321 | (4,843) | | 73 |
| 74 | Gonzales Slough Mainterrance District | GS | 129 | 9870 | 13,409 | 13,527 | 0 | 10,000 | 3,153 | 13,153 | 3,156 | (3) | Budget modified for delayed channel maintenance EIR purchase order of \$10,000 | 74 |
| 75 | Nacimiento Hydroelectric Plant | HY | 130 | 9890 | 1,746,864 | 1,728,419 | 197,534 | 428,398 | 623,898 | 1,052,296 | 306,312 | 317,587 | Budget includes modification of \$1.3m for emergency repairs, delayed consultants & delayed CAISO meter \$97,347 | 75 |

Unassigned reserves were not appropriated for the FY 2012-13 Budget

MONTEREY COUNTY WATER RESOURCES AGENCY
Unassigned Reserve Report by Fund
 Through April 2013

| LN # | FUND NAME | ZONE | FUND | PROG | TARGET UNASSIGNED RESERVES | 6/30/2012 | | 6/30/2013 | | 6/30/2013 "BGT EST" UNASSIGNED RESERVES |
|------|--|------|------|------|----------------------------|------------------------------|-------------|-------------------------------------|-------------|---|
| | | | | | | ACTUAL UNASSIGNED RESERVES * | % OF TARGET | APPROVED BUDGET UNASSIGNED RESERVES | % OF TARGET | |
| | Administration | ADM | 111 | 9000 | 0 | 1,201 | N/A | 0 | N/A | 3,725 |
| 10 | General Countywide | CW | 113 | 9055 | 304,000 | 59,090 | 19% | 70,115 | 23% | 15,514 |
| 15 | Pajaro River Levee | 1 | 112 | 9100 | 182,000 | 307,861 | 169% | 112,588 | 62% | 189,187 |
| 18 | Zone 2 Non-O&M Operating | 2 | 114 | 9205 | 236,000 | 296,190 | 126% | 30,840 | 13% | 187,508 |
| 34 | Zone 2A Non-O&M | 2A | 115 | 9551 | 260,000 | 116,244 | 45% | 28,884 | 11% | 353,897 |
| 55a | Zone 2C O&M | 2C | 116 | 9951 | 1,211,000 | 767,029 | 63% | 608,291 | 50% | 436,485 |
| 63 | Zone 2C CAMP | 2C | 116 | 9968 | N/A | 1,631 | N/A | 1,631 | N/A | 1,631 |
| 67 | Zone 2C Administration | 2C | 116 | 9975 | 500,000 | 293,487 | 206,513 | 1,631 | 0% | 276,740 |
| 77a | Salinas River Diversion Facility O&M | | 134 | 9988 | 831,000 | 562,548 | 68% | 568,219 | 68% | 573,393 |
| 80 | Lower Salinas River Channel | 3 | 117 | 9620 | 26,000 | 118,152 | 454% | 66,183 | 255% | 91,258 |
| 81 | Merritt Lake | 5 | 118 | 9630 | 15,000 | 6,379 | 43% | 1,583 | 11% | 5,726 |
| 86 | North Monterey County | 7 | 120 | 9690 | 2,000 | 9,733 | 487% | 1,690 | 85% | 11,054 |
| 87 | Soledad Storm Drain - Bryant Canyon Project | 8 | 121 | 9700 | 66,000 | 143,948 | 218% | 2,855 | 4% | 70,684 |
| 89 | Reclamation Ditch | 9 | 122 | 9722 | 619,000 | 887,692 | 143% | 432,237 | 70% | 936,007 |
| 94 | Monterey Peninsula (Carmel Valley) | 11 | 123 | 9750 | 15,000 | 37,453 | 250% | 50,305 | 335% | 51,082 |
| 95 | San Lorenzo Creek | 12 | 124 | 9760 | 25,000 | 36,479 | 146% | 4,375 | 18% | 10,938 |
| 96 | Arroyo Seco Area | 14 | 125 | 9765 | 1,000 | 720 | 72% | 362 | 36% | 345 |
| 97 | Carnation Subdivision (Alisal-Spence Roads) | 15 | 126 | 9770 | 3,000 | 70,229 | 2341% | 50,223 | 1674% | 61,616 |
| 98 | Moro Cojo Slough (Castroville/Moss Landing) | 17 | 127 | 9780 | 24,000 | 328,711 | 1370% | 292,826 | 1220% | 371,949 |
| 99 | Storm Drain Maint. District # 2 (Blanco Drain) | S2 | 128 | 9860 | 13,000 | 119,437 | 919% | 17,199 | 132% | 119,613 |
| 100 | Gonzales Slough Maintenance District | GS | 129 | 9870 | 5,000 | 10,192 | 204% | 873 | 17% | 541 |
| 101 | Nacimiento Hydroelectric Plant | HY | 130 | 9890 | 172,000 | 237,816 | 138% | 349,517 | 203% | 60,397 |
| 103 | Monterey Bay Reg Water Construction | | 425 | 9996 | N/A | 2,681 | N/A | 0 | N/A | 0 |
| | Sub-Total Excluding CSIP/SVRP & SVWP Debt related funds | | | | 4,510,000 | 4,414,903 | 98% | 2,692,427 | 60% | 3,829,290 |
| 82 | CSIP Transfer & Water Conservation Update | 6 | 119 | 9660 | 109,000 | 604,386 | 554% | 571,105 | 524% | 524,602 |
| 83 | CSIP Operation & Maintenance | 2Y | 131 | 9643 | 778,000 | 989,825 | 127% | 741,791 | 95% | 863,686 |
| 84 | SVRP Operation & Maintenance | 2Z | 132 | 9644 | 1,469,000 | 1,632,405 | 111% | 950,289 | 65% | 1,167,404 |
| 85 | CSIP Bond Debt Service | 2B | 303 | 9666 | 752,000 | 55,821 | 7% | 62,910 | 8% | 7,461 |
| 85 | CSIP Bond Debt Service - Rate Stabilization Reserve | 2B | 303 | 9666 | 3,500,000 | 2,000,000 | 57% | 2,000,000 | 57% | 2,000,000 |
| | Sub-Total CSIP/SVRP Funds | | | | 6,608,000 | 5,282,437 | 80% | 4,326,095 | 65% | 4,563,153 |
| | General Reserve (Hydro stabilization) | ADM | 111 | 9000 | 3,000,000 | 1,908,859 | 64% | 2,212,781 | 74% | 1,908,859 |
| 85 | SVWP Revenue Fund (For next year bond payment) | | 133 | 9987 | 2,031,762 | 3,311,335 | 163% | 3,303,915 | 163% | 3,328,243 |
| | Sub-Total SVRP Financing Funds | | | | 5,031,762 | 5,220,194 | 104% | 5,516,696 | 110% | 5,237,102 |
| | Total Unassigned Reserves | | | | 16,149,762 | 14,917,534 | 92% | 12,535,218 | 78% | 13,629,545 |

Note: In the past we have used the terms " Unassigned", "Operating Reserves", "Carryover", and "Available Fund Balances" interchangeably

MONTEREY COUNTY WATER RESOURCES AGENCY
Restricted/Assigned Reserve Report by Fund
 Through April 2013

| PROGRAM NAME | ZONE | FUND | PROG | 6/30/2012 ACTUAL RESTRICTED/ ASSIGNED RESERVES | 6/30/2012 BUDGET RESTRICTED/ ASSIGNED RESERVES | 6/30/2013 "BGT EST" RESTRICTED/ ASSIGNED RESERVES |
|---|------|------|------|--|--|---|
| Canyon Del Rey Improvements Reserve | | 111 | | 72,199 | 72,199 | 12,199 |
| General Reserve | 2 | 114 | | 2,989 | 2,989 | 2,989 |
| General Reserve | 2A | 115 | | 524,099 | 524,099 | 524,099 |
| Cloud Seeding Reserve | 2C | 116 | | 125,000 | 0 | 125,000 |
| Markeley Swamp Reserve | 9 | 122 | | 245,158 | 245,158 | 245,158 |
| Sub-Total Excluding CSIP/SVRP/SVWP | | | | 969,445 | 844,445 | 909,445 |
| SVWP Debt Service Fund | JPA | 704 | | 2,189,250 | 2,189,250 | 2,189,250 |
| MRWPCA CSIP Advances | 2Y | 131 | | 618,647 | 618,647 | 618,647 |
| MRWPCA SVRP Advances | 2Z | 132 | | 851,774 | 851,774 | 851,774 |
| Total Restricted/Assigned Reserves | | | | 4,629,116 | 4,504,116 | 4,569,116 |

MONTEREY REGIONAL WATER POLLUTION CONTROL AUTHORITY
Reserve Report

| RESERVE DESCRIPTION | DATE | 6/30/2012 ACTUAL | 6/30/2013 BUDGET | 6/30/2013 ESTIMATE |
|---|------|---------------------|---------------------|-----------------------|
| CSIP | | | | |
| Bureau of Reclamation Reserve Funds | | 302,692 | 304,194 | 304,621 |
| Equipment/Major Repair Reserve Funds | | 202,998 | 416,026 | 215,352 |
| SVRP | | | | |
| State Revolving Loan Reserve Funds | | 502,119 | 504,612 | 505,159 |
| Bureau of Reclamation Reserve Funds | | 157,394 | 158,175 | 158,377 |
| Equipment/Major Repair Reserve Funds | | 322,715 | 746,529 | 28,954 |
| SVRP | | | | |
| Equipment/Major Repair Reserve Funds | | 0 | 100,280 | 50,212 |
| Total Reserves at MRWPCA (Excluding MRWPCA Advances by MCWRA shown in above section) | | 1,487,918 | 2,229,816 | 1,262,675 |

**Purchase Order/Contracts in Excess of \$500.00
opened in the month of May 2013
and credit card purchases over \$500.00 in April/May 2013**

CONSENT

| Vendor Description | PO/Contract | Zone | Amount |
|--|--------------------|-------------|---------------|
| E-PLUS Payment for damaged computers returned at end of lease. | PO 00000004810 | ADM | 542.16 |
| SITE CONSTRUCTORS Repair services at Nacimiento Hydroelectric Plant lowere level outlet valve. | EPO 00000000464 | HY | 42,000.00 |

CREDIT CARD PURCHASE APRIL/MAY 2013

| | | | |
|--|--|-----|-----------|
| CABELAS Waders, wading boots, gaiters | | ADM | 601.89 |
| QUINN Repair backhoe | | ADM | 808.33 |
| INDUSTRIAL MACHINE SHOP Repair hydraullc shut-off valve, lower level | | 2C | 23,750.07 |
| CED Electrical relays Blanco Pump | | 9 | 704.27 |

| | |
|--------------------|-------------------------|
| Total of Purchases | <u><u>68,512.56</u></u> |
|--------------------|-------------------------|



COUNTY OF MONTEREY

PURCHASE ORDER

ORDER DATE 05-31-2013

PO 9300 0000004810

IMPORTANT

THE ABOVE NUMBER AND SHIP TO DEPARTMENT MUST APPEAR ON ALL SHIPPING LABELS, PACKING SLIPS, TRANSPORT DOCUMENTS, INVOICES AND CORRESPONDENCE

| | | |
|---|--|--|
| VENDOR EPLUS GROUP INC 13595 Dulles Technology Drive Herndon VA 20171 | SHIP TO WATER RESOURCES AGENCY 893 BLANCO CIRCLE SALINAS CA 93901-4455 | BILL TO WATER RESOURCES P O BOX 930 SALINAS CA 93902 |
| VENDOR NUMBER: CV000000895 | DELIVERY DATE: | F.O.B.: |

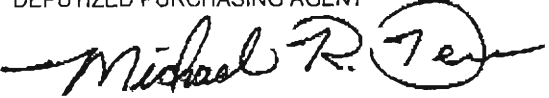
| ITEM | QUANTITY | UNIT | COMMODITY CODE | ITEM DESCRIPTION | UNIT PRICE | SALES TAX | EXTENDED PRICE |
|------|----------|------|----------------|--|------------|-----------|----------------|
| 1 | 1.0 | EA | 20453 | PURCH DESC: This purchase order to E-PLUS is for casualty value of three (3) computers at the end of lease CAM-226-125. HP Compaq DC7900 Convertible -Serial #MXL9350KV7 HP Compaq DC7900 Convertible -Serial #MXL9350KV4 HP Compaq DC7900 Convertible -Serial #MXL9350KW3 CASUALTY VALUE FOR EQUIPMENT RETURNED LEASE CAM226R125.. Invoice attached This purchase order shall not exceed \$542.16 and will expire 06/30/13 COMM LINE DESC: MicroComps, Desktop or Tower based 111 - 9300 - 8267 - WRA001 - 6407 - - - - - 542.16 | 502.00 | 40.16 | 542.16 |

THE SHADED ROWS ARE FOR MONTEREY COUNTY DEPARTMENT USE ONLY ORDER TOTAL 542.16

All Vendors are required to review the Monterey County general terms and conditions which apply to all contracts, purchase orders, and other electronic procurements made with the County unless otherwise noted. Said terms and conditions can be found on the County website at http://www.co.monterey.ca.us/admin/terms_conditions.htm

TAX EXEMPTION INFORMATION:
 FEDERAL EXCISE TAX EXEMPTION NUMBER 94-6000524

COUNTY BUYER INFORMATION
 Debra Bayard TELEPHONE: 831-755-4995
 EMAIL: bayarddr@co.monterey.ca.us

AUTHORIZED BY COUNTY OF MONTEREY
 DEPUTIZED PURCHASING AGENT


PRINT DATE: 06/11/13

CONTRACTS/PURCHASING DIVISION
168 W. Alisal St. 3rd Floor, Salinas, CA 93901

P33



COUNTY OF MONTEREY

PURCHASE ORDER

ORDER DATE 05-08-2013

EPO 9300 0000000464

IMPORTANT

THE ABOVE NUMBER AND SHIP TO DEPARTMENT MUST APPEAR ON ALL SHIPPING LABELS, PACKING SLIPS, TRANSPORT DOCUMENTS, INVOICES AND CORRESPONDENCE.

| | | |
|---|---|---|
| <p style="writing-mode: vertical-rl; transform: rotate(180deg);">ROOZNI R</p> <p>Site Constructors, Inc. PO Box 6254 Chico CA 95927</p> | <p style="writing-mode: vertical-rl; transform: rotate(180deg);">S H I P T O</p> <p>WATER RESOURCES AGENCY DISTRICT HOUSE SAN ANTONIO DAM BRADLEY CA 93426</p> | <p style="writing-mode: vertical-rl; transform: rotate(180deg);">B I L L T O</p> <p>WATER RESOURCES P O BOX 930 SALINAS CA 93902</p> |
| VENDOR NUMBER: VS0000000368 | | DELIVERY DATE: F.O.B.: |

| ITEM | QUANTITY | UNIT | COMMODITY CODE | ITEM DESCRIPTION | UNIT PRICE | SALES TAX | EXTENDED PRICE |
|------|----------|------|----------------|--|------------|-----------|----------------|
| 1 | 0.0 | | 94173 | <p>PURCH DESC: This purchase order is issued to Site Constructors for repair services at Nacimiento Hydroelectric Plant lower level outlet valve.</p> <p>Authoization and Insurance attached.</p> <p>This purchase order shall not exceed \$42,000.00 and expires 6/30/2013. If the County elects to continue the services of this agreement, a new purchase order will be issued after the expiration of this purchase order.</p> <p>COMM LINE DESC: Power Plant Equip Maint & Repair</p> <p>116 - 9300 - 8267 - WRA006 - 6613 - - - - - 42000.00</p> | .00 | .00 | 42,000.00 |

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THE SHADED ROWS ARE FOR MONTEREY COUNTY DEPARTMENT USE ONLY **ORDER TOTAL 42,000.00**

All Vendors are required to review the Monterey County general terms and conditions which apply to all contracts, purchase orders, and other electronic procurements made with the County unless otherwise noted. Said terms and conditions can be found on the County website at http://www.co.monterey.ca.us/admin/terms_conditions.htm

TAX EXEMPTION INFORMATION:
FEDERAL EXCISE TAX EXEMPTION NUMBER 94-6000524

COUNTY BUYER INFORMATION
Debra Bayard TELEPHONE: 831-755-4995
EMAIL: bayarddr@co.monterey.ca.us

AUTHORIZED BY COUNTY OF MONTEREY
DEPUTIZED PURCHASING AGENT

PRINT DATE: 06/11/13

CONTRACTS/PURCHASING DIVISION
168 W. Allsal St. 3rd Floor, Salinas, CA 93901

PAGE NUMBER: 1 OF 1

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

| | | | |
|-----------------------------------|--|---------------------|----------------------|
| MEETING DATE: | June 21, 2013 | AGENDA ITEM: | |
| AGENDA TITLE: | CONSIDER RECEIVING REPORT ON REIMBURSEMENT FOR INTERIM SERVICES OF CHIEF DEPUTY AUDITOR-CONTROLLER | | |
| Consent () | | Action () | |
| Information (X) | | | |
| SUBMITTED BY: | David E. Chardavoyne | PREPARED BY: | David E. Chardavoyne |
| PHONE: | (831) 755-4896 | PHONE: | (831) 755-4896 |
| DEADLINE FOR BOARD ACTION: | | June 21, 2013 | |

RECOMMENDED BOARD ACTION:

Receive a report on reimbursement for interim services of Chief Deputy Auditor-Controller.

PRIOR RELEVANT BOARD ACTION:

None.

DISCUSSION/ANALYSIS:

Following the separation of the Agency’s General Manager and Finance Manager, the Controller placed a Chief Deputy Auditor-Controller on site to oversee and review accounting transactions through Fiscal Year 2012-2013. The Agency will be asked by the County for reimbursement of the Chief Deputy Auditor-Controller’s salary and benefits totaling \$176,364.24.

| | | | |
|---|--|--------------|--------|
| FINANCIAL IMPACT: | YES (X) | \$176,364.24 | NO () |
| FUNDING SOURCE: | | | |
| COMMITTEE REVIEW AND RECOMMENDATION: | | | |
| ATTACHMENTS: | 1. Letter from Al Friedrich dated May 2, 2013 | | |
| APPROVED: | <hr/> <div style="display: flex; justify-content: space-between;"> General Manager Date </div> | | |

MONTEREY COUNTY

AUDITOR - CONTROLLER

(831) 755-5040 • FAX (831) 755-5098 • P.O. BOX 390 • SALINAS, CALIFORNIA 93902


MICHAEL J. MILLER, CPA, CISA
AUDITOR-CONTROLLER

ALFRED R. FRIEDRICH, CGFM
ASSISTANT AUDITOR-CONTROLLER



May 2, 2013

To: Cathy Paladini

From: Al Friedrich 

Subject: Reimbursement for Chief Deputy Auditor-Controller

Following the separation of the General Manager and the Finance Manager of the Water Resources Agency (WRA) and given significant accounting issues in the WRA, the Auditor-Controller as requested by the Board of Supervisors and County Administrative Officer, out stationed a Chief Deputy Auditor-Controller to the WRA.

The Chief Deputy Auditor-Controller direction is to oversee and review accounting transactions through FY 2012-13.

Given WRA cash flow issues, the Auditor-Controller has waited until May 2013 to process the payment for the Chief Deputy Auditor-Controller. Please process the following payment using the accounting string below:

- \$176,364.24 – Salaries and Benefits including the CAO training charge and EBS administration charge as shown on the attached spreadsheet.
- 001-1110-AUD001-8375-7304

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

| | | | |
|-----------------------------------|---|---------------------|-----------------|
| MEETING DATE: | June 21, 2013 | AGENDA ITEM: | |
| AGENDA TITLE: | CONSIDER APPROVING AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH AECOM TECHNICAL SERVICES, INC., IN THE AMOUNT OF \$35,000 FOR PROVIDING SAFETY SURVEILLANCE AND PERFORMANCE EVALUATION OF SAN ANTONIO DAM; AND, AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AMENDMENT | | |
| Consent () | | Action (X) | |
| Information () | | | |
| SUBMITTED BY: | Chris Moss | PREPARED BY: | Manuel Saavedra |
| PHONE: | (831) 755-4860 | PHONE: | (831) 755-4860 |
| DEADLINE FOR BOARD ACTION: | | June 21, 2013 | |

RECOMMENDED BOARD ACTION:

Approve Amendment No. 3 to the professional services agreement with AECOM Technical Services, Inc., in the amount of \$35,000 for providing safety surveillance and performance evaluation of San Antonio Dam; and, authorize the General Manager to execute Amendment No. 3.

PRIOR RELEVANT BOARD ACTION:

An Agreement with AECOM Technical Services, Inc., (AECOM), in the amount of \$60,300 to provide dam safety surveillance and performance evaluation of San Antonio Dam for FY 2010/11 was approved by the Board of Directors on June 28, 2010.

Amendment No. 1 to the Agreement for Professional Services with AECOM in the amount of \$43,250 to provide dam safety surveillance and performance evaluation of San Antonio Dam for FY 2011/12 was approved by the Board of Directors on June 27, 2011.

Amendment No. 2 to the Agreement for Professional Services with AECOM in the amount of \$37,570 to provide dam safety surveillance and performance evaluation of San Antonio Dam for FY 2012/13 was approved by the Board of Directors on June 25, 2012.

DISCUSSION/ANALYSIS:

It is prudent practice to monitor and evaluate the performance of Agency dams. In addition, California Water Code Regulations require dam owners that are under the jurisdiction of the California Department of Water Resources Division of Safety of Dams (DSOD), to collect and evaluate dam instrumentation data, and to perform periodic dam inspections to ensure public safety. Instrumentation data collected from 85 piezometers, 10 observation wells, 34 drains and 21 survey monuments allow the monitoring of seepage flows and embankment movement of San Antonio Dam. Experienced AECOM engineers with expertise in dams provide valuable supplemental knowledge in the evaluation of instrumentation monitoring data, conducting dam safety inspections, and evaluation of dam performance.

In 2010, the Agency sent out a Request for Proposals (RFP) to qualified engineering firms for dam safety surveillance and performance evaluation services. Out of six engineering firms, AECOM was selected to perform the San Antonio Dam instrumentation data review, dam safety

inspection, and preparation of the annual surveillance and performance evaluation report that is submitted to DSOD.

It was recommended in 2010 that the contract with AECOM be renewed on an annual basis for five years. The term of five years was recommended in order to maintain consistency in the performance evaluation of San Antonio Dam, and to reduce RFP expenses for the Agency. Amendment No. 2 expires on June 30, 2013. The annual contract renewal with AECOM is dependent upon satisfactory completion of each year's Scope of Work and the continuation of Mr. Stanley Kline as the project engineer. AECOM has rendered satisfactory services over the past year. Amendment No. 3 will cover year 4 of 5 (fiscal year 2013-14).

The purpose of Amendment No. 3 is to provide continuation of dam safety surveillance and performance evaluation of San Antonio Dam by AECOM for the period of July 1, 2013 to June 30, 2014. The Scope of Work needed to satisfy dam performance evaluation needs and DSOD requirements are as follows:

| Task | Description | Cost |
|-------------|--|----------------------------------|
| 1 | Annual Inspection: Provide an annual visual safety inspection of San Antonio Dam. | \$1,850 |
| 2 | Piezometer / Drain Data Review: Evaluate bi-monthly instrumentation data. | \$7,920 |
| 3 | Survey Data Review: Evaluate survey displacement data. | \$2,640 |
| 4 | Instrumentation Data Plots: Generate piezometer, seepage and survey displacement data plots. | \$7,680 |
| 5 | Reporting: Prepare annual dam surveillance and performance evaluation report for submittal to DSOD. | \$14,150 |
| 6 | Meetings: Provide time as needed for meetings with DSOD and Agency staff. | \$760 |
| 7 | On-Call Response: Provide time as needed in case of a natural disaster or other event regarding the safety of San Antonio Dam. | Payable from FY 2010-11 contract |
| 7.1 | Earthquake Event Data Review: Provide time for the evaluation of instrumentation data in case of significant earthquake event. | Payable from FY 2010-11 contract |
| 8 | Hydraulic Piezometer Testing: Assist Agency staff with testing of integrity and proper function of existing hydraulic piezometers. Note: The piezometers were installed during the construction of the dam, and the purpose of the testing is to determine if the piezometers are functioning adequately to monitor the performance of San Antonio Dam. | Payable from FY 2010-11 contract |

Grand Total payable from FY 2013-14: \$35,000

| | |
|---|--|
| FINANCIAL IMPACT: | YES (<input checked="" type="checkbox"/>) \$35,000 NO (<input type="checkbox"/>) |
| FUNDING SOURCE: | Fund 116, Zone 2C, Dam Operations. Fiscal Year 2013-14. |
| COMMITTEE REVIEW AND RECOMMENDATION: | |
| ATTACHMENTS: | <ol style="list-style-type: none"> 1. Board Order 2. Amendment No. 3 to the Agreement with AECOM Technical Services, Inc. 3. Copy of Original Agreement with AECOM Technical Services, Inc. |
| APPROVED: | <p style="text-align: center;">_____</p> <p>General Manager Date</p> |



*Before the Board of Directors of the Monterey County Water Resources Agency
County of Monterey, State of California*

BOARD ORDER No. _____

APPROVE AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES)
AGREEMENT WITH AECOM TECHNICAL SERVICES, INC., IN THE AMOUNT)
OF \$35,000 FOR PROVIDING SAFETY SURVEILLANCE AND PERFORMANCE)
EVALUATION OF SAN ANTONIO DAM; AND, AUTHORIZE THE GENERAL)
MANAGER TO EXECUTE THE AMENDMENT)

Upon motion of Director _____, seconded by Director _____, and carried by those members present, the Board of Directors hereby:

1. Approves Amendment No.3 to the professional services agreement with AECOM Technical Services, Inc., in the amount of \$35,000, payable from Zone 2C, Fund 116, Dam Operations, and,
2. Authorizes the General Manager to execute the Amendment.

PASSED AND ADOPTED on this 24th day of June 2013, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

BY: Ken Ekelund, Chair
Board of Directors

ATTEST: David E. Chardavoyne
General Manager

AMENDMENT No. 3

to

Agreement for Professional Services between Monterey County Water Resources Agency and AECOM Technical Services, Inc.

The undersigned parties hereby agree to amend that certain Agreement for Professional Services between the Monterey County Water Resources Agency (hereinafter "Agency") and AECOM Technical Services, Inc. (hereinafter "CONTRACTOR") executed and effective on July 2, 2010, and amended on June 27, 2011, and on June 25, 2012, (hereinafter "Agreement").

Section 1 of the Agreement is hereby amended to read as follows:

1. Employment of CONTRACTOR. Agency hereby engages CONTRACTOR and CONTRACTOR hereby agrees to perform the services set forth in Exhibits A, D, F and H in conformity with the terms of this Agreement.
 - (a) The work to be performed is generally described as follows:

Dam safety surveillance and performance evaluation of San Antonio Dam.

- (b) The CONTRACTOR shall perform its services under this agreement in accordance with usual and customary care and with generally accepted practices in effect at the time the services are rendered. The CONTRACTOR and its agents and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
- (c) CONTRACTOR, its agents and employees shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- (d) CONTRACTOR shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. CONTRACTOR shall not use Agency premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.
- (e) Agency hereby engages CONTRACTOR and CONTRACTOR hereby agrees to perform the services set forth in Exhibits A, B, C, D, E, F, G, H and I in conformity with the terms of this Agreement. CONTRACTOR shall manage and pay for the work of all subCONTRACTORS as required to proceed forward with the work set forth in Exhibits A, D, F and H.

Section 3 of the Agreement is hereby amended to read as follows:

3. Payment to CONTRACTOR; maximum liability. Subject to the limitations set forth herein, Agency shall pay to CONTRACTOR the amounts provided in Exhibits B, E, G and I for work completed and/or in progress pursuant this Agreement, summarized below:

| | |
|------------------------|--|
| Original Agreement | \$60,300 for FY 2010-2011 (incl. Tasks 7.0, 7.1 and 8.0) |
| Amendment No. 1 | \$43,250 for FY 2011-2012 |
| Amendment No. 2 | \$37,570 for FY 2012-2013 |
| <u>Amendment No. 3</u> | <u>\$35,000 for FY 2013-2014</u> |
| Not to exceed total: | <u>\$176,120</u> |

The maximum amount payable to CONTRACTOR under this Agreement as amended by Amendment Nos. 1, 2 and 3, is \$176,120.

Section 31 of the Agreement is hereby amended to read as follows:

31. Exhibits. The following Exhibits are attached hereto and incorporated by reference:

- Exhibit A** - Scope of Work and Work Schedule (original Agreement)
- Exhibit B** - Payment Provisions (original Agreement)
- Exhibit C** - Electronic Deliverables
- Exhibit D** - Scope of Work and Work Schedule (Amendment No. 1)
- Exhibit E** - Payment Provisions (Amendment No. 1)
- Exhibit F** - Scope of Work and Work Schedule (Amendment No. 2)
- Exhibit G** - Payment Provisions (Amendment No. 2)
- Exhibit H** - Scope of Work and Work Schedule (Amendment No. 3)
- Exhibit I** - Payment Provisions (Amendment No. 3)

All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, Agency and CONTRACTOR have caused this Amendment No. 3 to be executed as follows:

**MONTEREY COUNTY
WATER RESOURCES AGENCY**

AECOM TECHNICAL SERVICES, INC.

David E. Chardavoyne, General Manager

By _____
(signature)

DATED: _____

(print name and title)*

DATED: _____

By _____
(signature)

(print name and title)*

DATED: _____

* INSTRUCTIONS: If CONTRACTOR is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

**AECOM Technical Services, Inc.
Amendment No. 3**

* * * * *

Approved as to form:

Approved as to fiscal provisions:

Deputy County Counsel

CAO Analyst

Auditor-Controller

DATED: _____

DATED: _____

DATED: _____

COPY

MONTEREY COUNTY WATER RESOURCES AGENCY
AGREEMENT FOR PROFESSIONAL SERVICES
WITH SURVEYORS, ARCHITECTS, ENGINEERS AND/OR DESIGN PROFESSIONALS

This is an agreement between the Monterey County Water Resources Agency, hereinafter called "Agency," and AECOM Technical Services, Inc., a California Corporation, hereinafter called "CONTRACTOR".

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. Employment of CONTRACTOR. Agency hereby engages CONTRACTOR and CONTRACTOR, and CONTRACTOR hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. CONTRACTOR will complete all work in accordance with the **Scope of Work/Work Schedule set forth in Exhibit A:**

- (a) The scope of work is briefly described and outlined as follows:
Dam safety surveillance and performance evaluation of San Antonio Dam.
- (b) The CONTRACTOR shall perform its services under this agreement in accordance with usual and customary care and with generally accepted practices in effect at the time the services are rendered. The CONTRACTOR and its agents and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
- (c) CONTRACTOR, its agents and employees shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- (d) CONTRACTOR shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. CONTRACTOR shall not use Agency premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.

2. Term of Agreement. The term of this Agreement shall begin upon execution of this Agreement by CONTRACTOR and Agency, and, unless earlier terminated as provided herein, shall remain in force until the work required by this Agreement is completed.

3. Payments to CONTRACTOR; maximum liability. Subject to the limitations set forth herein, Agency shall pay to CONTRACTOR the amounts provided in Exhibit B. The maximum amount payable to CONTRACTOR under this contract is Sixty thousand three hundred dollars.

(\$ 60,300).

4. Monthly Invoices by CONTRACTOR; Payment.

- (a) CONTRACTOR shall submit to Agency an invoice, in a format approved by Agency, setting forth the amounts claimed by CONTRACTOR, together with an itemized basis for such amounts, and setting forth such other pertinent information Agency may require. CONTRACTOR shall submit such invoice monthly or as agreed by Agency, but in no event shall such invoice be submitted later than 30 days after completion of CONTRACTOR's work hereunder. Agency shall certify the claim if it complies with this contract and shall promptly submit such claim to the Monterey County Auditor-Controller, who shall pay the certified amount within 30 days after receiving the invoice certified by Agency. It is understood and agreed that CONTRACTOR shall complete all work described in Exhibit A for an amount not exceeding that set forth above, notwithstanding CONTRACTOR's submission of periodic invoices.
- (b) CONTRACTOR agrees that Agency may withhold ten percent (10%) of the amount requested by CONTRACTOR from any progress payment, until such time as all goods and services are received in a manner and form acceptable to Agency.
- (c) If, as of the date of execution of this Agreement, CONTRACTOR has already received payment from Agency for work which is the subject of this Agreement, such amounts shall be deemed to have been paid under this Agreement and shall be counted toward Agency's maximum liability set forth above.
- (d) CONTRACTOR shall not be reimbursed for travel expenses unless expressly stated in this Agreement.

5. Indemnification

5.1 For purposes of the following indemnification provisions ("Indemnification Agreement"), "design professional" has the same meaning as set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any other term or provision of this Indemnification Agreement and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement and the provisions of California Civil Code Sections 2782 or 2782.8, the broadest indemnity protection for the COUNTY under this Indemnity Agreement that is permitted by law shall be provided by CONTRACTOR.

5.2 Indemnification for Design Professional Services Claims:

CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONTRACTOR, its employees, subCONTRACTORS, and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of the COUNTY, or defect in a design furnished by the COUNTY.

5.3 Indemnification for All Other Claims or Loss:

For any claim, loss, injury, damage, expense or liability other than claims arising out of the CONTRACTOR's performance of design professional services under this Agreement, CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by CONTRACTOR, its employees, subCONTRACTORS or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of the COUNTY, or defect in a design furnished by the COUNTY.

6. Insurance.

6.1 Evidence of Coverage:

Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the Agency's Contact, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and such, insurance has been approved by the Agency. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

6.2 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

6.3 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent CONTRACTORS, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Modification (Justification attached; subject to approval).

6.4 Other Insurance Requirements.

All insurance required by this Agreement shall be with a company acceptable to the Agency and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the Agency shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subCONTRACTOR, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subCONTRACTOR showing each subCONTRACTOR has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the Agency, CONTRACTOR shall file certificates of insurance with the Agency's contract administrator, showing that the CONTRACTOR has in effect the

insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Agency, annual certificates to Agency's Contract Administrator. If the certificate is not received by the expiration date, Agency shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles Agency, at its sole discretion, to terminate this Agreement immediately.

7. Maintenance of Records. CONTRACTOR shall prepare, maintain and preserve all reports and records that may be required by federal, State, and local rules and regulations relating to services performed under this Agreement. CONTRACTOR shall retain all such records for at least five years from the date of final payment, or until any litigation relating to this Agreement is concluded, whichever is later.

8. Right to Audit at Any Time. Agency officials shall have the right, at any time during regular working hours and on reasonable advance notice, to examine, monitor and audit all work performed and all records, documents, conditions, activities and procedures of CONTRACTOR or its subCONTRACTORS relating to this Agreement. Government Code Section 8546.7 provides that an audit by the State Auditor General may be performed up to three years after the final payment under any contract involving the expenditure of public funds in excess of \$10,000.

9. Confidentiality; Return of Records. CONTRACTOR and its officers, employees, agents, and subCONTRACTORS shall comply with all federal, State and local laws providing for the confidentiality of records and other information. To the extent permitted by applicable law and regulations, CONTRACTOR shall maintain confidentiality with respect to Agency's well database and other water use data. CONTRACTOR shall not disclose any confidential information received from Agency or prepared in connection with the performance of this Agreement without the express permission of Agency. CONTRACTOR shall promptly transmit to Agency all requests for disclosure of any such confidential information. CONTRACTOR shall not use any confidential information gained through the performance of this Agreement except for the purpose of carrying out CONTRACTOR's obligations hereunder. When this Agreement expires or terminates, CONTRACTOR shall return to Agency all records, which CONTRACTOR utilized or received, from Agency to perform services under this Agreement.

10. Termination. Either party may terminate this Agreement by giving written notice of termination to the other party at least thirty (30) days prior to the effective date of termination, which date shall be specified in any such notice. In the event of such termination, the amount payable hereunder shall be reduced in proportion to the services provided prior to the effective date of termination. Agency may terminate this Agreement at any time for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes, without limitation, the failure of CONTRACTOR to perform the required services at the time and in the manner provided herein. If Agency terminates this Agreement for good cause, Agency may be relieved of the payment

of any consideration to CONTRACTOR, and Agency may proceed with the work in any manner, which it deems proper. Costs incurred by Agency thereby shall be deducted from any sum due CONTRACTOR.

11. Amendments and Modifications. No modification or amendment of this agreement shall be valid unless it is set forth in writing and executed by the parties.

12. Non-discrimination. Throughout the performance of this Agreement, CONTRACTOR will not unlawfully discriminate against any person because of race, color, religion, gender, national origin, ancestry, physical disability, medical condition, marital status, age older than 40, or sexual preference, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR shall comply fully with all federal, State and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to any target population designated herein shall not be deemed prohibited discrimination.

13. Independent CONTRACTOR. In its performance under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not an employee of Agency. No offer or obligation of employment with Agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from Agency any form of benefits accorded to employees including without limitation leave time, health insurance, workers compensation coverage, disability benefits, and retirement contributions. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold harmless Agency from any and all liability, which Agency may incur because of CONTRACTOR's failure to make such payments.

14. Delegation of Duties; Subcontracting. CONTRACTOR is engaged by Agency for its unique qualifications and abilities. CONTRACTOR may not, therefore, delegate any of its basic duties under this Agreement, except to the extent that delegation to CONTRACTOR's employees is contemplated herein. No work shall be subcontracted without the written consent of Agency, except as provided in this Agreement or its attachments. Notwithstanding any subcontract, CONTRACTOR shall continue to be liable to Agency for the performance of all work hereunder. CONTRACTOR shall not assign, sell, mortgage or otherwise transfer its interest or obligations in this Agreement without Agency's prior written consent.

15. Agency's Rights in Work Product. All original materials prepared by CONTRACTOR in connection with its work hereunder -- including but not limited to computer codes, customized computer routines developed using proprietary or commercial software packages, reports, documents, maps, graphs, charts, photographs and photographic negatives -- shall be the property of Agency and shall be delivered to Agency prior to final payment. CONTRACTOR may utilize any existing materials developed by CONTRACTOR prior to commencement of work under this Agreement, which materials shall remain the property of CONTRACTOR.

16. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which Agency is the grantee, CONTRACTOR shall comply with all provisions of such grant applicable to CONTRACTOR's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.

17. Conflict of Interest. CONTRACTOR warrants that it presently has no interest and shall not acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with its full and complete performance of all services under this Agreement.

18. Governing Laws. This Agreement is entered into in the County of Monterey, State of California, and shall be construed and enforced in accordance with the laws of the State of California. The parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.

19. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

20. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.

21. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.

22. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.

23. CONTRACTOR. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.

24. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

25. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.

26. Contract Administrators. CONTRACTOR's designated principal responsible for administering CONTRACTOR's work under this Agreement shall be Stanley Kline; Agency's designated administrator of this Agreement shall be Manuel Saavedra.

27. Notices. Notices required under this Agreement shall be delivered personally or by electronic facsimile, or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or facsimile transmission, or on the third day after deposit with the U.S. Postal Service. CONTRACTOR shall give Agency prompt notice of any change of address. Unless otherwise changed according to these notice provisions, notices shall be addressed as follows:

TO AGENCY

Name: Manuel Saavedra

Address: MCWRA
893 Blanco Circle
Salinas, CA 93901

Telephone: (831) 755-4860

Fax: (831) 424-7935

E-Mail: saavedram@co.monterey.ca.us

TO CONTRACTOR

Name: Stanley Kline

Address: AECOM Technical Services, Inc.
2101 Webster Street, Suite 1000
Oakland, CA 94612-3060

Telephone: (510) 419-6126

Fax: (510) 419-5355

E-Mail: stan.kline@aecom.com

28. Electronic Deliverables. Where feasible, all reports, documents and other printed information provided to the Agency pursuant to this Agreement shall be submitted in both written and Electronic formats in accordance with the specifications listed in Exhibit C.

29. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.

30. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

31. Exhibits. The following Exhibits are attached hereto and incorporated by reference:

Exhibit A – Scope of Work / Work Schedule

Exhibit B - Payment Provisions

Exhibit C - Electronic Deliverables

32. Entire Agreement --As of the effective date of this Agreement, this document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

MONTEREY COUNTY WATER RESOURCES AGENCY
AGREEMENT FOR PROFESSIONAL SERVICES
WITH SURVEYORS, ARCHITECTS, ENGINEERS AND/OR DESIGN PROFESSIONALS

IN WITNESS WHEREOF, Agency and CONTRACTOR execute this agreement as follows:

**MONTEREY COUNTY WATER
RESOURCES AGENCY**

CONTRACTOR

BY: 

BY: 

Curtis V. Weeks
General Manager

Type Name: PAUL A. LARUM
Title: VICE PRESIDENT

Date: 7/2/10

Date: 6/21/10

BY: 

Type Name: ROBERT S. JOHNSON
Title: 6/24/10

Date: AGGREGATE VICE PRESIDENT

MONTEREY COUNTY WATER RESOURCES AGENCY
AGREEMENT FOR PROFESSIONAL SERVICES
WITH SURVEYORS, ARCHITECTS, ENGINEERS AND/OR DESIGN PROFESSIONALS

* INSTRUCTIONS: If CONTRACTOR is a corporation (including limited liability and nonprofit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

(*****AECOM Technical Services, Inc.*****)
Agreement/Amendment No # ()

Approved as to form:

[Signature]
Deputy County Counsel

Approved as to fiscal provisions:

P.A. Midland
Administrative Analyst

Dated: 6/29/10

Dated: 6-30-10

RISK MANAGEMENT
COUNTY OF MONTEREY
APPROVED AS TO INDEMNITY/
Risk Management
INSURANCE LANGUAGE

[Signature]
Auditor-Controller

By: *Dyan Schumaker*
Date: 6-29-10

Dated: 6-30-10



EXHIBIT A

Scope of Work and Work Schedule San Antonio Dam Surveillance and Performance Evaluation

Introduction

AECOM Technical Services, Inc., (Consultant) shall provide the following Scope of Work related to dam surveillance and performance evaluation of San Antonio Dam, for the period of July 1, 2010 through June 30, 2011. The Agency intends to renew this Agreement annually for up to five years, beginning July 1, 2010, dependent upon satisfactory completion of each year's Scope of Work, and the continuation of Mr. Stanley Kline as the project engineer.

Tasks to Be Performed:

TASK 1 - ANNUAL INSPECTION

Provide on-site inspection of San Antonio Dam at a time to be scheduled by the Agency. The inspection will include, at a minimum, examination of the instrumentation, relief wells, drains, embankment slopes, dam crest, and spillway for visible signs of failure, distress, erosion, or maintenance needs, and observation of operating mechanisms, including but not limited to valves, gates, drains, and safety devices for signs of malfunction or wear. One inspection per year.

TASK 2 - PIEZOMETER / DRAIN DATA REVIEW

Review and evaluate bi-monthly data from approximately 85 piezometers, 34 drains, and 10 relief wells. Data will be collected and provided to the Consultant by the Agency supplied in electronic spreadsheet format. This review includes comparison of current monitoring data with past data during periods of similar reservoir conditions and against original design assumptions and criteria, as appropriate, to check for development of significant trends or changes in the data. Consultant is to make recommendations for corrective action if required. Consultant will provide a brief summary of data review conclusions and any appropriate recommendations, upon each periodic review, prior to development of the surveillance and performance evaluation report. Six (6) data sets will be provided to Consultant per year.



TASK 3 - SURVEY DATA REVIEW

Review and evaluate annual dam, spillway and penstock tunnel survey displacement data supplied by the Agency. Include a comparison of current monitoring data with past data during periods of similar reservoir conditions and against original design assumptions and criteria, as appropriate, to check for development of significant trends or changes in the data. Consultant is to make recommendations for corrective action if required. Consultant will provide an executive summary of data review conclusions and any appropriate recommendations, upon each periodic review, prior to development of the surveillance and performance evaluation report.

TASK 4 - INSTRUMENTATION DATA PLOTS

Generate piezometer and drain flow data plots, and survey displacement data plots from data provided by the Agency. The Consultant shall organize and format the plots for ease of interpretation. The plots will contain all data established for the automated piezometer plots, since the start date of the plots in 1993. The survey displacement plots will contain data for the same time period as the piezometer and drain flow plots. The plots will be generated annually.

TASK 5 - REPORTING

Prepare an annual dam surveillance and performance evaluation report (report) for Agency submittal to the California Department of Water Resources Division of Safety of Dams (DSOD). The report will include evaluation of the current annual piezometer, drain, and survey monitoring data with comparison to historic data and trends; documentation of the field inspection; conclusions regarding the current condition of the dam, appurtenant facilities, and instrumentation; and applicable recommendations for repair, maintenance, or adjustments to the instrumentation and surveillance program. The report will be submitted initially as a draft; after receiving and incorporating Agency comments, the report will be presented in final form. Four hard copies of the draft report, ten hard copies of final report, and a .PDF file on Compact Disc (CD) of the final report will be provided.

TASK 6 - MEETINGS

The Consultant will allow for additional meetings as required, in addition to the site inspection, with the Agency and/or DSOD. Such meetings are in addition to Task 1. Allow for two (2) meetings per year.

TASK 7 - ON-CALL RESPONSE

The Consultant shall be available on a time and expense basis in the event of a natural disaster or other threat to San Antonio Dam, or other unexpected urgent



situation regarding the safety or integrity of the dam. The Consultant, in the event of such situation, would be expected to inspect the dam within 24 hours, consult with the Agency as needed, and prepare written recommendations for the continued safe operation of the structure. This task would be funded on an as-needed basis. Allow for one on-site inspection and inspection report per year.

TASK 7.1 - EARTHQUAKE EVENT DATA REVIEW

When requested by Agency in the event of a significant earthquake, piezometer, drain, and other data will be collected on a more frequent basis, perhaps daily or weekly. These additional data will need to be evaluated and incorporated in the surveillance and performance evaluation report. The evaluation may be requested at the time immediately after data collection for such event. Allow for up to 12 datasets to be evaluated and presented in the surveillance and performance evaluation report.

TASK 8 - HYDRAULIC PIEZOMETER TESTING

Upon Agency request, assist with testing of integrity and proper function of existing hydraulic piezometers. Review and evaluate data from this testing program when instituted by Agency. Develop appropriate recommendations for modifying/streamlining piezometer monitoring program as a result of the outcome of the testing program and incorporate recommendations into the performance evaluation report following the Agency testing program.



EXHIBIT B

Payment Provisions

San Antonio Dam Surveillance and Performance Evaluation

PAYMENT

For the Scope of Work defined in Exhibit A, Agency shall pay Consultant on a time and expense basis an amount not to exceed \$60,300. If Consultant time and expense costs necessary to complete the Scope of Work defined in Exhibit A are less than \$60,300, the Agency enjoys the savings. If Consultant requires time and expense to complete the Scope of Work defined in Exhibit A over and above \$60,300, the maximum amount payable to Consultant remains \$60,300. Payable costs shall be the sum of direct labor costs, other direct costs and sub-consultant mark-up as defined below. Budget detail is shown on page 5.

Direct Labor Costs are the hourly billing rate, per the Direct Labor Rate Schedule herein, times the number of hours worked by the personnel.

Other Direct Costs are identifiable costs necessarily incurred by Contractor to complete the Scope of Work defined in Exhibit A. Other Direct Costs include, but are not limited to, travel and subsistence expenses, document reproduction costs, and postal costs. Other Direct Costs shall be accounted for in each invoice by submittal of receipts for such costs and description of their necessity. Contractor is entitled to mark-up their Other Direct Costs by a multiplier of 1.10 (10%). Automobile mileage will be reimbursable at the IRS approved rate.

Sub-Contractor Mark-up is the percentage multiplier designated for each sub-Contractor times the sum of sub-Contractor direct labor and other direct charges. All sub-Contractor mark-up multipliers shall not exceed 1.10 (10% mark-up).

DIRECT LABOR RATE SCHEDULE

The Direct Labor Rate Schedule herein shall be valid for a twelve-month period, beginning the date of Consultant's Notice to Proceed. The hourly billing rate schedule and other direct costs chargeable to the project may be modified as agreed by Agency and Consultant after said period of time. The parties shall agree to such modifications in writing as an Amendment to the Agreement.

INVOICES

Invoices may be submitted monthly. Invoices shall include the direct labor costs by individual and task, showing the individual's hours charged, hourly rate and total amount charged to each task. Other direct charges shall be added to the sum of the direct labor costs by task. Other Direct Charges shall be accounted for in each invoice by submittal



of receipts for such costs and description of their necessity. Percent of task completion shall be included on each invoice.

NOTIFICATION

When, during performance of the work, Consultant incurs 75 percent of the total Task cost allotted to a Task, Consultant shall so notify the Agency to that effect. If Consultant has reason to believe that the costs which it expects to incur to finish the Task, when added to the costs previously incurred, will exceed the total Task cost Consultant shall so notify the Agency to that effect. The notice shall state: (1) the estimated amount of additional funds required to complete the Task; (2) justification for the need for additional funds; and (3) the estimated date Consultant expects its total costs incurred to meet the total Task cost.



EXHIBIT B

Payment Provisions San Antonio Dam Surveillance and Performance Evaluation

DIRECT LABOR RATE SCHEDULE

| Professional and Technical Staff | Rate/Hour |
|----------------------------------|-----------|
| Principal..... | \$170.00 |
| Senior Professional III..... | \$160.00 |
| Senior Professional II..... | \$150.00 |
| Senior Professional I..... | \$140.00 |
| Project Professional III..... | \$130.00 |
| Project Professional II..... | \$125.00 |
| Project Professional I..... | \$120.00 |
| Staff Professional III..... | \$110.00 |
| Staff Professional II..... | \$100.00 |
| Staff Professional I..... | \$95.00 |
| Professional III..... | \$90.00 |
| Professional II..... | \$85.00 |
| Professional I..... | \$80.00 |
| Technician III*..... | \$100.00 |
| Technician II*..... | \$80.00 |
| Technician I*..... | \$65.00 |
| Word Processor II..... | \$70.00 |
| Word Processor I..... | \$60.00 |
| Project Administrator III..... | \$70.00 |
| Project Administrator II..... | \$68.00 |
| Project Administrator I..... | \$65.00 |
| Clerical/General Office..... | \$50.00 |

* : Includes computer aided design (CAD) and geographic information systems (GIS) operators.

Expert witness testimony is 1.5 times the listed rate. Travel times will be charged at the regular hourly rates, not to exceed 8 hours per day. Rates charged to clients are those rates in effect at the time rendered.



Project-related expenses are charged as follows:

1. Travel-related expenses (hotels, rental vehicles, parking, etc.): cost plus 10 percent.
2. Subcontractors (drilling, trenching, surveying, laboratory testing, etc.): cost plus 10 percent.
3. Project direct expenses for reprographics, aerial photos, publications, overnight shipping, project-expendable materials and supplies, and rental equipment and instrumentation: cost plus 10 percent.
4. Formal deliverables/documentation: Retrieval of records more than one year after project completion bears an additional \$100.00 per request.
5. Mileage: Per U.S. government rates; Field vehicles \$75.00 per day.



EXHIBIT B

Payment Provisions

San Antonio Dam Surveillance and Performance Evaluation

BUDGET DETAIL:

| Task No. | Task Description | Rate: | | | | | Subtotal Manhours | Expenses | Task Cost Estimate |
|----------|--------------------------------|-----------------------|---------------------------|---|----------------------------|--------------------------|-------------------|----------------|--------------------|
| | | \$170.00 Principal | \$160.00 Stanley Kline | \$130.00 Geo / Eng Project Prof. III | \$100.00 Tech. III CADD | \$70.00 Word Proc. II | | | |
| 1 | Annual Inspection | 0 | 12 | 0 | 0 | 0 | 12 | \$200 | \$2,120 |
| 2 | Piezometer / Drain Data Review | 0 | 40 | 0 | 0 | 0 | 40 | \$0 | \$6,400 |
| 3 | Survey Data Review | 0 | 16 | 0 | 0 | 0 | 16 | \$0 | \$2,560 |
| 4 | Instrumentation Data Plots | 0 | 24 | 0 | 24 | 0 | 48 | \$0 | \$6,240 |
| 5 | Reporting | 4 | 50 | 0 | 32 | 20 | 106 | \$500 | \$13,780 |
| 6 | Meetings | 0 | 16 | 0 | 0 | 0 | 16 | \$200 | \$2,760 |
| 7 | On-Call Response | 0 | 20 | 20 | 0 | 0 | 40 | \$1,000 | \$6,800 |
| 7.I | Earthquake Event Data Review | 0 | 24 | 0 | 0 | 0 | 24 | \$0 | \$3,840 |
| 8 | Hydraulic Piezometer Testing | 0 | 80 | 20 | 0 | 0 | 100 | \$400 | \$15,800 |
| | Total: | 4 | 282 | 40 | 56 | 20 | 402 | \$2,300 | \$60,300 |



EXHIBIT C

Electronic Deliverables

San Antonio Dam Surveillance and Performance Evaluation

Deliverables:

The Consultant will provide:

- Upon Agency request, send via e-mail copies of all draft reports to Agency Project Manager and Agency Chief of Operations and Maintenance to be followed by four (4) draft hard copy of all reports.
- Nine (9) bound copies of the final report including one (1) copy with original signature and engineer's stamp.
- One (1) unbound master copy of the final report with original signature and engineer's stamp.
- Copies of final reports in Adobe® Portable Document Format (.PDF) on CD.
- Electronic data shall be readable using Microsoft® Word, Excel, Project, and plan sets in AutoCAD by Autodesk®. ESRI ArcGIS® and AutoCAD documents to be imported in a document are to be provided at 300 dpi.
- Digital photos shall be 2048 x 1536 pixels at 72 pixels per inch or better and delivered in .PDF, .TIFF or .JPEG formats.

All work in this scope of work shall be performed and billed in accordance with terms and rates shown at Exhibit B.

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

| | | | |
|-----------------------------------|--|---------------------|----------------|
| MEETING DATE: | June 21, 2013 | AGENDA ITEM: | |
| AGENDA TITLE: | <p>CONSIDER RECOMMENDING THAT THE MONTEREY COUNTY WATER RESOURCES AGENCY BOARD OF DIRECTORS AND BOARD OF SUPERVISORS APPROVE A BUDGET AMENDMENT AUTHORIZING THE AUDITOR-CONTROLLER TO AMEND THE MONTEREY COUNTY WATER RESOURCES AGENCY’S FISCAL YEAR 2012-2013 BUDGET, TRANSFERRING \$509,375 FROM FUND 111 (HYDRO STABILIZATION RESERVE) OF WHICH \$97,444 WILL TRANSFER TO FUND 130 (HYDRO-ELECTRIC OPERATIONS); \$288,405 WILL TRANSFER TO FUND 113 (COUNTYWIDE); AND, \$123,526 WILL TRANSFER TO FUND 114 (ZONE 2 NACIMIENTO NON-O&M) AS A RESULT OF LOWER WATER FLOWS IN THE DAM, ONGOING REPAIR WORK AND LOWER PG&E RATES IN POWER AGREEMENT SALES.</p> <p>a. INCREASE APPROPRIATION IN FUND 111 (ADMINISTRATION), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA001, ACCOUNT 7614, (OPERATING TRANSFER OUT) BY \$509,375 (4/5TH VOTE REQUIRED); AND,</p> <p>b. INCREASE ESTIMATED REVENUES IN FUND 130 (HYDRO-ELECTRIC OPERATIONS), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA022, ACCOUNT 5940 (OPERATING TRANSFERS IN) BY \$97,444 (4/5TH VOTE REQUIRED); AND,</p> <p>c. INCREASE ESTIMATED REVENUES IN FUND 113 (COUNTYWIDE FUND), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA003, ACCOUNT 5940 (OPERATING TRANSFERS IN) BY \$288,405 (4/5TH VOTE REQUIRED); AND,</p> <p>d. INCREASE ESTIMATED REVENUES IN FUND 114 (ZONE 2 NACIMIENTO NON-O&M), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA003, ACCOUNT 5940 (OPERATING TRANSFERS IN) BY \$123,526 (4/5TH VOTE REQUIRED).</p> | | |
| Consent () | | Action (X) | |
| Information () | | | |
| SUBMITTED BY: | Cathy Paladini | PREPARED BY: | Cathy Paladini |
| PHONE: | (831) 755-4861 | PHONE: | (831) 755-4861 |
| DEADLINE FOR BOARD ACTION: | | June 21, 2013 | |

RECOMMENDED BOARD ACTION:

Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors approve a Budget Amendment authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency’s Fiscal Year 2012-2013 Budget, transferring \$509,375 from Fund 111 (Hydro Stabilization Reserve) of which \$97,444 will transfer to Fund 130 (Hydro-Electric Operations); \$288,405 will transfer to Fund 113 (Countywide); and, \$123,526 will transfer to Fund 114 (Zone 2 Nacimiento Non-O&M) as a result of lower water flows in the dam, ongoing repair work and lower PG &E rates in power agreement sales.

- a. Increase appropriation in Fund 130 (Hydro-Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 6835, (Other Special Departmental Expense) by \$97,444 (4/5th vote required); and,
- b. Increase estimated revenues in Fund 130 (Hydro-Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 5940 (Operating Transfers In) by \$97,444 (4/5th vote required); and,

- c. Increase estimated revenues in Fund 113 (Countywide Fund), Dept. 9300, Unit 8267, Appropriation Unit WRA003, Account 5940 (Operating Transfers In) by \$288,405 (4/5th vote required); and,
- d. Increase estimated revenues in Fund 114 (Zone 2A Nacimiento Non-O&M) Dept. 9300, Unit 8267, Appropriation unit WRA003, account 5940 (Operating Transfers In) by \$123,526 (4/5th vote required).

PRIOR RELEVANT BOARD ACTION:

On March 25, 2013, the Monterey County Water Resources Agency (Agency) Board of Directors (Board) approved the Agency Fiscal Year 2012-13 Budget, which contained the anticipated Hydro-Electric revenue before it was known lower water flows, ongoing repairs, and lower PG&E rates in the Agency Power agreements affect the amount of estimated business insurance reimbursements the Agency will receive.

DISCUSSION/ANALYSIS:

A reduction in Hydro-Electric Revenue in Fund 130 (Hydro-Electric Operations) lower water flows, ongoing dam repairs, and lower PG&E rates in Agency Power agreements has caused a lower estimate in the business interruption claim to the Insurance Company. In accordance with Salinas Valley Water Project financing arrangements, all Agency Ad Valorem taxes in the above funds must be utilized first and foremost to finance annual bond payments. Due to lower than expected Hydro-Electric Revenue, the remaining money after the bond payment was made has caused the Agency to utilize \$509,375 from Fund 111 (Hydro Stabilization Reserve) to backfill the lost Ad Valorem taxes in Funds 130, 113, 114 and 115.

| | | |
|---|--|---------------|
| FINANCIAL IMPACT: | YES (X) | NO () |
| FUNDING SOURCE: | Fund 111 (Hydro Stabilization Reserve) | |
| COMMITTEE REVIEW AND RECOMMENDATION: | | |
| ATTACHMENTS: | Board Order | |
| APPROVED: | | |
| | _____ General Manager | _____ Date |



***Before the Board of Directors of the Monterey County Water Resources Agency
County of Monterey, California***

Board Order No. _____

APPROVE AND RECOMMEND THAT THE MONTEREY)
COUNTY WATER RESOURCES AGENCY BOARD OF)
SUPERVISORS APPROVE A BUDGET AMENDMENT)
AUTHORIZING THE AUDITOR-CONTROLLER TO AMEND)
THE MONTEREY COUNTY WATER RESOURCES AGENCY'S)
FISCAL YEAR 2012-2013 BUDGET, TRANSFERRING \$509,375)
FROM FUND 111 (HYDRO STABILIZATION RESERVE) OF)
WHICH \$97,444 WILL TRANSFER TO FUND 130)
(COUNTYWIDE); \$123,526 WILL TRANSFER TO FUND 114)
(ZONE 2 NACIMIENTO NON-O&M) AS A RESULT OF)
LOWER WATER FLOWS IN THE DAM, ONGOING REPAIR)
WORK AND LOWER PG&E RATES IN POWER)
AGREEMENT SALES)

- a. INCREASE APPROPRIATION IN FUND 111)
(ADMINISTRATION), DEPT. 9300, UNIT 8267,)
APPROPRIATION UNIT WRA001, ACCOUNT 7614,)
(OPERATING TRANSFER OUT) BY \$509,375)
(4/5TH VOTE REQUIRED); AND,)
- b. INCREASE ESTIMATED REVENUES IN FUND 130)
(HYDRO-ELECTRIC OPERATIONS), DEPT. 9300,)
UNIT 8267, APPROPRIATION UNIT WRA022,)
ACCOUNT 5940 (OPERATING TRANSFERS IN) BY)
\$97,444 (4/5TH VOTE REQUIRED); AND,)
- c. INCREASE ESTIMATED REVENUES IN FUND 113)
(COUNTYWIDE FUND), DEPT. 9300, UNIT 8267,)
APPROPRIATION UNIT WRA003, ACCOUNT 5940)
(OPERATING TRANSFERS IN) BY \$288,405)
(4/5TH VOTE REQUIRED); AND,)
- d. INCREASE ESTIMATED REVENUES IN FUND)
114 (ZONE 2 NACIMIENTO NON-O&M) DEPT. 9300,)
UNIT 8267, APPROPRIATION UNIT WRA003,)
ACCOUNT 5940 (OPERATING TRANSFERS IN))
BY \$123,526 (4/5TH VOTE REQUIRED).)

Upon motion of Director _____, seconded by Director _____, and carried by those members present, the Board of Directors hereby:

1. Approves and recommends that the Monterey County Water Resources Agency Board of Supervisors approve a Budget Amendment authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency's Fiscal Year 2012-2013 budget, transferring \$509,375 from Fund 111 (Hydro Stabilization Reserve) of which \$97,444 will transfer to Fund 130 (Hydro-Electric Operations); \$288,405 will transfer to Fund 113 (Countywide);

and, \$123,526 will transfer to Fund 114 (Zone 2 Nacimiento Non-O&M) as a result of lower water flows in the dam, ongoing repair work and lower rates PG &E rates in power agreement sales.

- a. Increase appropriation in Fund 130 (Hydro-Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 6835, (Other Special Departmental Expense) by \$97,444 (4/5th vote required); and,
- b. Increase estimated revenues in Fund 130 (Hydro-Electric Operations), Dept. 9300, Unit 8267, Appropriation Unit WRA022, Account 5940 (Operating Transfers In) by \$97,444 (4/5th vote required); and,
- c. Increase estimated revenues in Fund 113 (Countywide Fund), Dept. 9300, Unit 8267, Appropriation Unit WRA003, Account 5940 (Operating Transfers In) by \$288,405 (4/5th vote required); and,
- d. Increase estimated revenues in Fund 114 (Zone 2A Nacimiento Non-O&M) Dept. 9300, Unit 8267, Appropriation unit wra003, account 5940 (Operating Transfers In) by \$123,526 (4/5th vote required).

PASSED AND ADOPTED on this ____ day of ____ 2013, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

BY: Ken Ekelund, Chair
Board of Directors

ATTEST: David E. Chardavoyne
General Manager

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

| | | | |
|-----------------------------------|--|---------------------|----------------|
| MEETING DATE: | June 21, 2013 | AGENDA ITEM: | |
| AGENDA TITLE: | <p>CONSIDER RECOMMENDING THAT THE MONTEREY COUNTY WATER RESOURCES AGENCY BOARD OF DIRECTORS AND BOARD OF SUPERVISORS RECOGNIZE THE NET PREVIOUSLY RECEIVED AMOUNT OF \$644,209.05 FROM THE CALIFORNIA AMERICAN WATER COMPANY (CAW) LINE OF CREDIT (DRAWS 1 AND 2) ALL IN ACCORDANCE WITH THE DECEMBER 4, 2012 SETTLEMENT AGREEMENT AMONG THE MONTEREY COUNTY WATER RESOURCES AGENCY, CAW AND THE COUNTY OF MONTEREY; AND, REALLOCATE REVENUE OF \$644,209.05 IN FUND 425 TO ASSESSMENT-BASED FUNDS AS REIMBURSEMENT OF REGIONAL DESALINATION PROJECT COSTS INCURRED FROM THOSE FUNDS IN CALENDAR YEARS 2009, 2010 AND 2011, EXCLUDING CONFLICT OF INTEREST COSTS AND EXPENSES.</p> <p>a. TRANSFER \$644,209.05 FROM LIABILITY ACCOUNT “BALANCE DUE TO OTHERS” (FUND 425), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA035, ACCOUNT 2569 TO REVENUE ACCOUNT “INSURANCE & OTHER RECOVERIES,” DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA035, ACCOUNT 5870; AND,</p> <p>b. REALLOCATE REVENUE \$644,209.05 FROM “INSURANCE & OTHER RECOVERIES” (FUND 425), DEPT. 9300, UNIT 8267, APPROPRIATION UNIT WRA035, ACCOUNT 5870 TO THE FOLLOWING FUNDS: 112, 113, 116, 119, 122, 127, 131 AND 134 THAT ORIGINALLY INCURRED REGIONAL DESALINATION PROJECT COSTS (4/5TH VOTE REQUIRED).</p> | | |
| Consent () | | Action (X) | |
| Information () | | | |
| SUBMITTED BY: | Cathy Paladini | PREPARED BY: | Cathy Paladini |
| PHONE: | (831) 755-4861 | PHONE: | (831) 755-4861 |
| DEADLINE FOR BOARD ACTION: | | June 21, 2013 | |

RECOMMENDED BOARD ACTION:

Recommend that the Monterey County Water Resources Agency Board of Directors and Board of Supervisors recognize the net previously received amount of \$644,209.05 from the California American Water Company (CAW) Line of Credit (Draws 1 & 2) all in accordance with the December 4, 2012 Settlement Agreement among the Monterey County Water Resources Agency, CAW and the County of Monterey; and, reallocate revenue of \$644,290.05 in Fund 425 to Assessment-Based Funds as reimbursement of Regional Desalination Project costs incurred from those funds in calendar years 2009, 2010 and 2011, excluding conflict of interest costs and expenses.

- a. Transfer \$644,209.05 from Liability Account “Balance Due to Others” (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 2569 to Revenue Account “Insurance & Other Recoveries,” Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 5870; and,
- b. Reallocate Revenue \$644,209.05 from “Insurance & Other Recoveries” (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 5870 to the following

funds: 112, 113, 116, 119, 122, 127, 131 and 134 that originally incurred Regional Project costs, (4/5th vote required).

PRIOR RELEVANT BOARD ACTION:

On December 4, 2012, the Monterey County Water Resources Agency, CAW and the County of Monterey entered into an executed Settlement Agreement, subject to approval by the California Public Utilities Commission (CPUC).

DISCUSSION/ANALYSIS:

The Agency is requesting this transaction to move the net amount of the CAW forgiven Line of Credit (Draws 1 &2) per the December 4, 2012 Settlement Agreement, page 5, section 4A to reimburse Agency Funds that are funded by assessments and that originally incurred costs of the Regional Desalination Project during the FY 2009 – 11 period, excluding conflict of interest costs and expenses.

| | | |
|---|--|---------------|
| FINANCIAL IMPACT: | YES (X) | NO () |
| FUNDING SOURCE: | (Funds 425,112, 113, 116, 119, 121, 122, 127, 131, 134) | |
| COMMITTEE REVIEW AND RECOMMENDATION: | | |
| ATTACHMENTS: | <ol style="list-style-type: none"> 1. Board Order 2. Regional Project Cost Allocation Spreadsheet 3. CAW Settlement Agreement | |
| APPROVED: | <hr/> General Manager Date | |



*Before the Board of Directors of the Monterey County Water Resources Agency
County of Monterey, California*

Board Order No. _____

APPROVE AND RECOMMEND THAT THE BOARD OF)
SUPERVISORS RECOGNIZE THE NET PREVIOUSLY RECEIVED)
AMOUNT OF \$644,209.05 FROM THE CALIFORNIA AMERICAN)
WATER COMPANY (CAW) LINE OF CREDIT (DRAWS 1 AND 2))
ALL IN ACCORDANCE WITH THE DECEMBER 4, 2012)
SETTLEMENT AGREEMENT AMONG THE MONTEREY COUNTY)
WATER RESOURCES AGENCY, CAW AND THE COUNTY OF)
MONTEREY; AND, REALLOCATE REVENUE OF \$644,209.05 IN)
FUND 425 TO ASSESSMENT-BASED FUNDS AS REIMBURSEMENT)
OF REGIONAL DESALINATION PROJECT COSTS INCURRED)
FROM THOSE FUNDS IN CALENDAR YEARS 2009, 2010 AND)
2011, EXCLUDING CONFLICT OF INTEREST COSTS AND)
EXPENSES)

- a. TRANSFER \$644,209.05 FROM LIABILITY ACCOUNT)
"BALANCE DUE TO OTHERS" (FUND 425), DEPT. 9300,)
UNIT 8267, APPROPRIATION UNIT WRA035, ACCOUNT)
2569 TO REVENUE ACCOUNT "INSURANCE & OTHER)
RECOVERIES," DEPT. 9300, UNIT 8267, APPROPRIATION)
UNIT WRA035, ACCOUNT 5870; AND,)
- b. REALLOCATE REVENUE \$644,209.05 FROM "INSURANCE &)
OTHER RECOVERIES" (FUND 425), DEPT. 9300, UNIT 8267,)
APPROPRIATION UNIT WRA035, ACCOUNT 5870 TO)
THE FOLLOWING FUNDS (112,113,116,119,122,127,131, AND)
134) THAT ORGINALLY INCURRED REGIONAL)
DESALINATION PROJECT COSTS, (4/5TH VOTE REQUIRED))

Upon motion of Director _____, seconded by Director _____, and carried by those members present, the Board of Directors hereby:

1. Approves and recommends that the Board of Supervisors recognize the net previously received amount of \$644,209.05 from the California American Water Company (CAW) Line of Credit (Draws 1 & 2) all in accordance with the December 4, 2012 Settlement Agreement among the Monterey County Water Resources Agency, CAW and the County of Monterey; and,
2. Reallocates revenue of \$644,209.05 to the Assessment-Based Funds as reimbursement of Regional Desalination Project costs incurred from those funds in calendar years 2009, 2010 and 2011, excluding conflict of interest costs and expenses.

- a. Transfer \$644,209.05 from Liability Account “Balance Due to Others” (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 2569 to Revenue Account “Insurance & Other Recoveries”, Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 5870; and,
- b. Reallocate Revenue \$644,209.05 from “Insurance & Other Recoveries” (Fund 425), Dept. 9300, Unit 8267, Appropriation Unit WRA035, Account 5870 to the following Funds: 112, 113, 116, 119, 122, 127, 131 and 134 that originally incurred Regional Desalination Project costs (4/5th vote required).

PASSED AND ADOPTED on this 24th day of June 2013, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

BY: Ken Ekelund, Chair
Board of Directors

ATTEST: David E. Chardavoyne
General Manager

MONTEREY COUNTY WATER RESOURCES AGENCY
Transfer balance of CAL-Am Draws 1 & 2 received by Agency
to Funds that receive Assessment Revenue

| <u>Fund</u> | <u>Dept</u> | <u>Unit</u> | <u>Program</u> | <u>Approp</u> | <u>Account</u> | <u>DEBIT</u> | <u>CREDIT</u> |
|---|-------------|-------------|----------------|---------------|----------------|---------------------|---------------------|
| <u>Transfer from "Balance due to others" to revenue</u> | | | | | | | |
| 425 | 9300 | 8267 | | WRA035 | 2569 | 644,290.05 | |
| 425 | 9300 | 8267 | | WRA035 | 5870 | | 644,290.05 |
| <u>Reallocate revenue to Funds that receive assessments</u> | | | | | | | |
| 425 | 9300 | 8267 | | WRA035 | 1001 | | 644,290.05 |
| 425 | 9300 | 8267 | | WRA035 | 5870 | 644,290.05 | |
| 112 | 9300 | 8267 | | WRA002 | 1001 | 45,158.72 | |
| 112 | 9300 | 8267 | | WRA002 | 5870 | | 45,158.72 |
| 113 | 9300 | 8267 | | WRA003 | 1001 | 6,665.31 | |
| 113 | 9300 | 8267 | | WRA003 | 5870 | | 6,665.31 |
| 116 | 9300 | 8267 | 2COPTN | WRA006 | 1001 | 292,747.41 | |
| 116 | 9300 | 8267 | 2COPTN | WRA006 | 5870 | | 292,747.41 |
| 116 | 9300 | 8267 | 2CADMN | WRA006 | 1001 | 19,751.49 | |
| 116 | 9300 | 8267 | 2CADMN | WRA006 | 5870 | | 19,751.49 |
| 119 | 9300 | 8267 | | WRA009 | 1001 | 26,278.81 | |
| 119 | 9300 | 8267 | | WRA009 | 5870 | | 26,278.81 |
| 121 | 9300 | 8267 | | WRA011 | 1001 | 11,018.62 | |
| 121 | 9300 | 8267 | | WRA011 | 5870 | | 11,018.62 |
| 122 | 9300 | 8267 | | WRA012 | 1001 | 154,563.40 | |
| 122 | 9300 | 8267 | | WRA012 | 5870 | | 154,563.40 |
| 127 | 9300 | 8267 | | WRA017 | 1001 | 4,550.96 | |
| 127 | 9300 | 8267 | | WRA017 | 5870 | | 4,550.96 |
| 131 | 9300 | 8267 | | WRA020 | 1001 | 63,450.09 | |
| 131 | 9300 | 8267 | | WRA020 | 5870 | | 63,450.09 |
| 134 | 9300 | 8267 | | WRA028 | 1001 | 20,105.24 | |
| 134 | 9300 | 8267 | | WRA028 | 5870 | | 20,105.24 |
| TOTAL: | | | | | | 1,932,870.15 | 1,932,870.15 |

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("the Agreement") is made and entered into this 4th day of December, 2012 ("Execution Date") by and between the California-American Water Company, a California corporation and regulated public utility ("CAW"), the County of Monterey, a political subdivision of the State of California ("County"), and the Monterey County Water Resources Agency ("Agency"), a duly constituted water resources agency created pursuant to the Monterey County Water Resources Agency Act (the "Agency Act"), each of whom may be referred to hereinafter as a "Party" and all of whom are at times collectively referred to hereinafter as the "Parties," with reference to the following facts:

RECITALS

- A. CAW is a Class A water utility regulated by the California Public Utilities Commission ("CPUC"). CAW's Monterey district serves most of the Monterey Peninsula, including Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City, and Seaside, as well as the unincorporated areas of Carmel Highlands, Carmel Valley, Pebble Beach, and the Del Monte Forest.
- B. The water supply in CAW's Monterey district has long been constrained as a result of frequent drought conditions on the semi-arid Monterey Peninsula, where the water supply is highly dependent upon rainfall. In addition, the Salinas Basin is impacted by seawater intrusion.
- C. The Agency's boundaries are coextensive with the boundaries of the County of Monterey and, within those boundaries, the Agency is responsible under the Agency Act to, among other things, prevent the waste or diminution of the water supply and control groundwater extractions to prevent or deter the loss of usable groundwater as a result of seawater intrusion, replace groundwater through the development and distribution of a substitute surface supply for irrigation purposes and prevent groundwater exportation from the Salinas Basin.
- D. In 1995, the State Water Resources Control Board ("Water Board") issued Order No. WR 95-10 in which the Water Board found, in part, that, although CAW had been diverting 14,106 acre feet per year from the Carmel River, it had the right to divert only 3,376 acre feet per year. The Water Board ordered CAW to find replacement sources and adopt conservation measures sufficient to replace 10,730 acre feet per year.
- E. On September 20, 2004, CAW filed with the CPUC Application No. 04-09-019 in which CAW sought approval from the CPUC for a project that would provide a long-term water supply for CAW's Monterey district and issuance of a certificate of public convenience and necessity to authorize construction and operation of the project.

F. In Decision No. 06-12-040, the CPUC approved CAW's Special Request 1 Surcharge to allow recovery of already incurred preconstruction costs related to a long-term water supply solution for CAW's Monterey district. Under this decision, reasonable pre-construction costs are transferred to the Special Request 1 Surcharge Balancing Account ("the Balancing Account") for recovery from customers through a customer bill surcharge. In Decision No. 11-09-039, the CPUC increased the monthly Special Request 1 Surcharge from 10% to 15% and adopted a 4% interest rate for costs tracked in the Balancing Account.

G. The Water Board issued a final Cease-and-Desist Order on October 20, 2009 (the "CDO"), which requires CAW to undertake additional measures to reduce its unpermitted diversions from the Carmel River no later than December 31, 2016.

H. On December 17, 2009, in Decision No. 09-12-017, the CPUC certified the Final Environmental Impact Report for a project that would provide a long-term water supply for CAW's Monterey District.

I. The Agency, CAW and the Marina Coast Water District ("District") negotiated a Water Purchase Agreement ("Water Purchase Agreement") and, with other parties to Application No. 04-09-019, a Settlement Agreement ("Settlement Agreement"), which were both approved by the CPUC on December 2, 2010 in CPUC Decision No. 10-12-016, as modified in CPUC Decision No. 11-04-035 and which, along with other agreements, provided for development, financing and construction of the Regional Desalination Project ("RDP").

J. Before the CPUC approved the Water Purchase Agreement, the Agency, CAW and the District entered into a Reimbursement Agreement, dated February 26, 2010, which was approved by the CPUC on August 12, 2010 in CPUC Decision No. 10-08-008. Effective January 11, 2011, the Agency, CAW and the District entered into the CAW Credit Line Agreement and, with the engineering and consulting company RMC Water and Environment, a Regional Desalination Project Management Agreement.

K. The Water Purchase Agreement, the Settlement Agreement, the Reimbursement Agreement, the CAW Credit Line Agreement, and the Regional Desalination Project Management Agreement are hereinafter collectively referred to as the "RDP Agreements."

L. The Parties and others undertook performance of the RDP Agreements in furtherance of the RDP.

M. In or about April, 2011, conflict of interest allegations arose concerning Stephen P. Collins, a former member of the Agency's Board of Directors.

N. On August 12, 2011, the California Coastal Commission deferred a vote on test wells for the RDP. Additionally, the Monterey County Superior Court ruling in *Ag Land Trust v. Marina Coast Water District*, Case No. M105019 and the District's multiple subsequent unsuccessful attempts at appellate review inhibited the viability of the RDP.

O. Application No. 04-09-019 was amended on July 14, 2005 and was closed by the CPUC in Decision No. 12-07-088 issued on July 18, 2012. In closing the application, the CPUC found that, given the uncertainty surrounding California Environmental Quality Act, financing, and the ability to obtain permits for the RDP, it was not reasonable to force CAW to pursue the RDP.

P. CAW and the Agency were active parties in Application No. 04-09-019 and remain interested in resolving the issues identified herein that arose from that application. The Parties acknowledge the Agency's authority under the Agency Act, as it applies to the development of a long-term water supply for Monterey County and compliance with the CDO.

Q. Disagreements have arisen between CAW, the Agency, the County and the District with respect to the RDP Agreements. CAW, the Agency, the County and the District have met and have been unable to resolve their disagreements.

R. On April 23, 2012, CAW filed at the CPUC Application No. 12-04-019 entitled "Application of the California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates" ("CAW Application").

S. On June 26, 2012, the County commenced a civil proceeding against CAW, entitled *County of Monterey v. California-American Water Company*, San Francisco Superior Court Case No. CGC-12-521875, to obtain a judicial determination regarding application of Chapter 10.72 of the Monterey County Code ("the Ordinance") to CAW and the CAW Application.

T. On October 4, 2012, CAW commenced a civil proceeding against the District and the Agency, entitled *California-American Water Company v. Marina Coast Water District, et al.*, Monterey County Superior Court Case No. M 120053, to obtain a judicial determination regarding the validity and termination of the RDP Agreements.

U. CAW, the County and the Agency believe it is in their mutual best interest and in the best interests of their customers, taxpayers and constituents to settle, without admitting liability, all claims the Parties have against each other and jointly move forward towards an alternate project that will lead to the successful development of a long-term water supply, compliance with the CDO and avoidance of litigation, while preserving their respective claims and defenses against the District and others.

V. The Parties desire to enter into this Agreement as set forth below.

NOW, THEREFORE, for valuable consideration, the sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants and agreements hereinafter expressed, the Parties agree as follows:

TERMS

1. **Purpose of Agreement.** The purpose of this Agreement is to settle and resolve claims and issues between the Parties and promote the development, construction and operation of a successful water project to provide a long-term, stable source of potable water for Monterey County. In recognition of the substantial benefits of the settlement memorialized in this Agreement, including but not limited to the parties' meaningful progress towards development of a long-term water supply for Monterey County, compliance with the CDO and avoidance of time-consuming and expensive litigation and, in acknowledgement of the reasonable and prudent nature of the Agency expenditures to be reimbursed under this Agreement, the payments and debt forgiveness described in paragraphs 4A, 4B and 4C of this Agreement (collectively "Settlement Costs") are deemed reasonable and prudent costs that should be collected through CAW's Special Request 1 Surcharge.

2. **The Project.**

A. CAW seeks to implement a new water supply project that may include various components, including but not limited to, Aquifer Storage and Recovery in the Seaside Basin and storage and recovery of recycled purified water in the Seaside Basin, source wells, a desalination facility located in Monterey County, and the construction of related conveyance and storage facilities (all of which is more particularly described in the CAW Application and, especially, Appendix D thereto, and collectively referred to hereinafter as the "Monterey Peninsula Water Supply Project" ("MPWSP")) to comply with the requirements of Water Board Order WR 95-10 and the CDO, as they have been, and may be, amended.

B. As set forth below, the County and the Agency shall cooperate with CAW in the processing of CAW's applications to the County of Monterey, the Agency and other regulatory agencies for the MPWSP.

3. **Approval Date.** As used herein, "Approval Date" shall refer to the date when the payment and recovery provisions in Paragraphs 4 and 11 are approved by final decision of the CPUC in a manner acceptable to the Parties, as provided in Paragraph 19.

4. Obligations of CAW.

A. On the Approval Date, sums owed by the Agency to CAW pursuant to the Reimbursement Agreement and the CAW Credit Line Agreement, together with any and all interest or charges accrued thereon, shall be forgiven. On the Execution Date, the total amount owed by the Agency under the Reimbursement Agreement and CAW Credit Line Agreement, excluding accrued interest, is \$1,918,033.58. That sum, which is a component of Settlement Costs as defined in Paragraph 1, will continue to accrue interest, as provided in Paragraph 11, from the Execution Date until the Settlement Costs are transferred to the Balancing Account, as provided in Paragraph 11.

B. Within 30 days after the Approval Date, CAW shall pay the Agency the sum of \$779,967.47.

C. Within 30 days after the Approval Date, CAW shall deposit the sum of \$718,315.44 into a special trust account maintained by the Monterey County Auditor-Controller ("Trust Account"), which shall function as an escrow account. Subject to Paragraph 4E, below, all funds not withdrawn shall remain on deposit in the Trust Account until the Parties agree to the withdrawal of funds from the Trust Account or until such time as the CPUC approves CAW's request to recover any funds designated to be withdrawn from the Trust Account, as set forth in Paragraph 4D, below. Any interest accruing on the funds in the Trust Account shall be paid to CAW at the close of escrow. The Agency may not withdraw funds from the Trust Account in excess of the sum deposited by CAW.

D. If the Agency designates funds from the Trust Account to pay the claims of any of the Agency's contractors or consultants arising under the RDP or the RDP Agreements, and unless the Parties agree otherwise, CAW shall promptly request approval from the CPUC to recover any such designated funds. The designated funds shall be released to the Agency from the Trust Account within 5 business days following CPUC approval of the CAW request for use in accordance with the CPUC approval. Subject to Paragraph 4E, below, any funds remaining in the Trust Account at the close of escrow shall be refunded to CAW.

E. Escrow shall close when all the funds in the Trust Account have been disbursed or three years after the Approval Date, whichever occurs first, provided that, if litigation is pending between the Agency and any of the Agency's contractors or consultants concerning the RDP or the RDP Agreements on either of those dates, escrow shall remain open until the litigation is resolved. If the litigation is resolved by judgment that obligates the Agency to pay any funds, the requisite funds shall be released to the Agency from the Trust Account to the extent they are available in the Trust Account. If the litigation is resolved by settlement that obligates the Agency to pay any funds, the requisite funds shall be withdrawn from the Trust Account by agreement of the Parties or when the CPUC approves CAW's request to recover any

funds designated to be withdrawn from the Trust Account to the extent they are available in the Trust Account.

F. The sums paid to the Agency and forgiven by CAW as described in Paragraphs 4A, 4B and 4C include costs incurred by the Agency in relation to the RDP but do not include Agency costs incurred before January 1, 2009 or legal costs incurred addressing the conflict of interest issue concerning former Agency director Stephen P. Collins, neither of which shall be recovered from CAW by the Agency or by CAW from its customers.

G. From and after the Execution Date, CAW shall cooperate with and support the County and the Agency in the performance of this Agreement and shall take such reasonable actions as may be requested by the County or the Agency to carry out the purpose of this Agreement.

H. A non-exclusive list of permits and approvals that may be required for the MPWSP is set forth in Appendix D of the CAW Application.

I. CAW shall prepare and submit complete applications for each and every project approval described in Paragraph 5, below.

J. CAW shall support the Governance Committee of the Monterey Peninsula Regional Water Authority consistent with CAW's October 26, 2012 filing with the CPUC.

5. Obligations of the County or the Agency.

A. Following CAW's submission of completed applications and their acceptance by the appropriate regulatory agency, County and Agency staff shall expeditiously and in good faith process or assist in the processing of the following:

(i) Any and all reviews or assessments required by CEQA for the MPWSP. To the extent allowed by law, existing environmental impact reports, addenda or supplements thereto, and other existing environmental declarations, reports and studies, shall be used if they adequately address the environmental impacts of the MPWSP, without requiring new or supplemental environmental documentation.

(ii) Any application for a General Plan amendment necessary for development of the MPWSP.

(iii) Any application for amendments to the Zoning Ordinance necessary for development of the MPWSP, including applications for approval of any applicable planned district requirements.

(iv) All applications by CAW for a Coastal Development Permit for any component of the MPWSP that is within the Monterey County Local Coastal Development Plan.

(v) Any application or request for an approval or determination required by the Agency Act, including any applications or requests for approvals to construct source water wells as described in the CAW Application for use as a source of water for the desalination component of the MPWSP.

B. The County and the Agency shall cooperate in the expeditious processing of all applications for permits and requests for approvals needed for the MPWSP, including, but not limited to: Construction or Building Permits, Conditional Use Permits, Stormwater Permits, Well Permits or Permits Related to Flood Zones. CAW acknowledges some of the permits necessary for the MPWSP are under the jurisdiction of entities other than the County and the Agency.

C. County and Agency staff, after reasonable notice and request from CAW, shall meet with CAW prior to CAW's submission of applications for these project approvals, provided that nothing in this Agreement shall require County or Agency staff to attend unreasonably repetitive or duplicative meetings.

D. The County and the Agency shall act expeditiously and in good faith and offer reasonable support to CAW for timely completion of the MPWSP. This support shall include cooperating with CAW in processing applications, not necessarily limited to the following:

- (i) Coastal Development Permit from the California Coastal Commission.
- (ii) NPDES Permit(s) from the Regional Water Quality Control Board.
- (iii) State Lands Commission review and approval.
- (iv) Outfall Capacity Agreement with Monterey County Water Pollution Control Agency.
- (v) California Public Utilities Commission approval.
- (vi) Water Board grant of State Revolving Funds for the MPWSP.
- (vii) Determination of CAW compliance with Water Board Order 95-10 and the CDO.

E. Nothing in this Agreement shall prevent the County or the Agency from imposing customary indemnity and defense conditions on the approval of any permit or discretionary entitlement.

F. The County and the Agency shall decide between themselves which entity will assume primary responsibility for tasks associated with these approvals and inform CAW of their decision.

G. The rights and obligations created by subparagraphs A, B, C, D, E and F of this Paragraph 5 shall arise from and after the Execution Date and not the Approval Date.

6. **Other Cooperation.** Following submission and acceptance of completed applications by CAW and CAW's satisfaction of any procedural requirements imposed by other agencies or regulatory entities, the County and Agency will support CAW in connection with the processing of CAW applications as follows:

- A. Prompt responses to inquiries from other agencies regarding the MPWSP;
- B. Attendance by senior-level planning staff at proceedings before other agencies;
- C. Sharing with CAW any written Agency responses to other agencies before submission of the responses to those agencies;
- D. Collaboration between CAW, appropriate CPUC staff and the Water Board in connection with the CAW Application;
- E. Not take action to oppose the MPWSP, subject to the provisions in Paragraph 14, below.

The rights and obligations created by this Paragraph 6 shall arise from and after the Execution Date and not on the Approval Date.

7. **County Ordinance Preemption.** The October 25, 2012, "Decision Declaring Preemption of County Ordinance and the Exercise of Paramount Jurisdiction," issued in CPUC Application 12-04-019 ("the CPUC Decision"), finds the Ordinance is preempted by the CPUC. Although the CPUC Decision is final and binding upon CAW, the Agency and all parties to Application 12-04-019, nothing in this Agreement shall be construed as preventing the Agency or the County from seeking to preserve local control over water issues in Monterey County by seeking rehearing or appellate review of the CPUC Decision. However, regardless of the outcome of any such challenge, the CPUC Decision shall remain final and binding on the Parties with regard to this Agreement and the MPWSP. The Ordinance shall not apply to CAW or the MPWSP. The County shall dismiss with prejudice the complaint in *County of Monterey v.*

California-American Water Company, San Francisco Superior Court Case No. CGC-12-521875 within 10 days following the Execution Date.

8. **Slant Test Well and Source Water Determination.** CAW intends to design and construct a full-scale slant test well to gather information on the feasibility of the well technology at the proposed well location and collect data for design purposes. The test well will include screened sections in both the shallow aquifer and the 180-foot aquifer. This design will allow data to be gathered in both the shallow and 180-foot aquifers. The CAW Application contemplated that source water would be drawn from the 180-foot aquifer. Since CAW filed that application, interested parties have met with the Agency, the County and CAW and have expressed a preference that water be sourced from the shallow aquifer only. Assuming data gathered from the test well establishes the shallow aquifer is a suitable source of water for the MPWSP, CAW will attempt to draw source water from the shallow aquifer. The Agency and the County support this concept. If data gathered from the test well establishes the shallow aquifer is not a suitable source but the 180-foot aquifer is a suitable source, CAW will likely continue to draw source water from the 180-foot aquifer, as proposed in the CAW Application. The Agency and the County do not support use of the 180-foot aquifer as a source of water for the MPWSP.

9. **Groundwater Monitoring.** To properly discharge its responsibilities under the Agency Act to protect water in the Salinas River Groundwater Basin and prevent its export, the Agency will develop a Groundwater Monitoring Plan (“Plan”). The Plan will be developed with appropriate public input and is expected to address various matters related to those responsibilities, including but not limited to the need for monitoring wells, the design and construction of any such wells, and a procedure for the testing and analysis of water from any such wells. CAW will promptly pay the costs of developing and implementing the Plan throughout the life of the MPWSP upon submission of invoices from the Agency or its successor. Should the Agency determine a monitoring well agreement is appropriate, the Parties shall negotiate in good faith to develop and sign such an agreement.

10. **Groundwater Extraction.** The Parties shall consult on such other approvals or findings as may be required or appropriate for the MPWSP, such as selecting the methodology to be used for determining the amount, if any, of Salinas Basin water to be extracted by the source water wells; the amount, if any, to be returned to or for use in the Salinas Basin; the manner, cost, timing and location of such return; and the method to be used to measure the amount of Salinas Basin water withdrawn by the source wells.

11. **Recovery of Settlement Costs.** Upon CPUC approval of this Agreement and performance of the CAW obligations with respect to the Settlement Costs, the Settlement Costs will be transferred to the Balancing Account for recovery from customers through the 15% monthly surcharge approved by the CPUC in Decision No. 11-09-039 or through such other recovery mechanism as may be approved by the CPUC. The principal amount due to CAW

under the CAW Credit Line Agreement will continue to accrue interest after the Execution Date at the rate authorized under the CAW Credit Line Agreement and the principal amount due to CAW under the Reimbursement Agreement will continue to accrue interest after the Execution Date at the rate authorized for the Reimbursement Agreement, pursuant to CPUC Decisions Nos. 10-08-008 and 11-09-039. On and after the date the Settlement Costs are transferred to the Balancing Account they will earn allowance for Funds Used During Construction at the rate of 4%, pursuant to CPUC Decision No. 11-09-039 or at such other rate as may be approved by the CPUC.

12. **Integrated Agreement.** This Agreement is a negotiated compromise of disputed issues. It is an integrated agreement, each provision of which is material bargained-for consideration and indispensable to the parties' intent and agreement. The Parties intend that this Agreement be unaffected by subsequent proceedings, including any judicial proceeding that adjudicates the validity of the RDP Agreements. In that regard, the Parties' rights and responsibilities as set forth herein shall survive and be unaffected by a judicial declaration that the RDP Agreements or any of them are void. All parties were represented by counsel in the negotiation and drafting of this Agreement and no single party is the author. The rule that ambiguities in a written instrument are to be resolved against the drafting party shall have no application to the interpretation or enforcement of this Agreement.

13. **Meaning of Obligation.** As used in this Agreement, the obligation to "act expeditiously and in good faith" shall mean an obligation to act as required by the covenant of good faith and fair dealing as that covenant has been interpreted under California law, which requires that each party to a contract not do anything to unfairly interfere with the right of any other party to the contract to receive the benefits of the contract.

14. **Right to Exercise Discretion.** The obligation to "act expeditiously and in good faith" shall not restrict the rights of County and Agency officials to exercise their rights of free expression and exercise their independent judgment under the California Environmental Quality Act or other statute nor shall the obligation restrict the authority and discretion of the Agency or Agency officials under the Agency Act. It shall not constitute a breach of this Agreement nor shall it constitute a breach of the obligation to "act expeditiously and in good faith," if County or Agency officers, holding office or ex-officio office in the County, the Agency or an agency with regulatory or review jurisdiction over the MPWSP, exercise their independence and discretion in voting or taking action with regard to the MPWSP, including dissenting from approvals or expressing dissenting opinions with regard to the MPWSP or any component or aspect thereof.

15. **Mutual Releases.**

A. **Release by CAW as to County and Agency.** On the Approval Date, except for breaches of this Agreement, CAW shall release and forever discharge the County and the Agency and its agents, employees, and attorneys from any and all claims, demands, damages,

liabilities, obligations, agreements, expenses (including attorneys' fees), actions and causes of action, of whatever description or nature, arising out of or relating to the RDP Agreements. Notwithstanding the foregoing, CAW reserves the right to maintain, commence or defend a civil action or proceeding for equitable or declaratory relief, to interplead funds in the Trust Account or for other non-monetary relief regarding the RDP Agreements and to join the County and the Agency as parties. In addition, CAW shall retain the right to raise any and all factual issues, legal issues and claims it may have against the County or the Agency as a defense to claims made by the District or any other person or entity not a Party to this Agreement in any litigation over the RDP, the RDP Agreements or any other CAW water supply project for CAW's Monterey district.

B. Release by County as to CAW. On the Approval Date, except for breaches of this Agreement, County shall release and forever discharge CAW and its agents, employees, and attorneys from any and all claims, demands, damages, liabilities, obligations, agreements, expenses (including attorneys' fees), actions and causes of action, of whatever description or nature, arising out of or relating to the RDP Agreements. Notwithstanding the foregoing, the County reserves the right to maintain, commence or defend a civil action or proceeding for equitable or declaratory relief, to interplead funds in the Trust Account or for other non-monetary relief regarding the RDP Agreements and to join CAW as a party. In addition, the County shall retain the right to raise any and all factual issues, legal issues and claims it may have against CAW as a defense to claims made by the District or any other person or entity not a Party to this Agreement in any litigation over the RDP, the RDP Agreements or any other CAW water supply project for CAW's Monterey district.

C. Release by Agency as to CAW. On the Approval Date, except for breaches of this Agreement, the Agency shall release and forever discharge CAW and its agents, employees, and attorneys from any and all claims, demands, damages, liabilities, obligations, agreements, expenses (including attorneys' fees), actions and causes of action, of whatever description or nature, arising out of or relating to the RDP Agreements. Notwithstanding the foregoing, the Agency reserves the right to maintain, commence or defend a civil action or proceeding for equitable or declaratory relief, to interplead funds in the Trust Account or for other non-monetary relief regarding the RDP Agreements and to join CAW as a party. In addition, the Agency shall retain the right to raise any and all factual issues, legal issues and claims it may have against CAW as a defense to claims made by the District or any other person or entity not a Party to this Agreement in any litigation over the RDP, the RDP Agreements or any other CAW water supply project for CAW's Monterey district.

D. Section 1542 Waiver. By executing this Agreement, each Party hereto expressly waives the provisions of California Civil Code Section 1542, which, as applicable to this Agreement, provides in substance that a general release does not extend to claims which the releasor does not know or suspect to exist in his or her favor at the time of executing the release,

which if known by him or her must have materially affected his or her settlement with the releasee.

16. **Governing Law.** This Agreement shall be governed by the laws of the State of California. Venue for any civil action or proceeding regarding this Agreement or its interpretation, performance or breach shall be the Superior Court of the County of Monterey.

17. **Advocacy for Approval.** In accordance with CPUC Decision No. 12-07-008, promptly after the Execution Date, CAW shall file an application at the CPUC addressing the costs to be reimbursed and the indebtedness to be forgiven as described in this Agreement. The Parties shall cooperate in the preparation and filing of a joint pleading for approval of this Agreement by the CPUC and shall all support the joint pleading, including advocating this Agreement's approval, without modification, before the CPUC. The rights and obligations created by this Paragraph 17 shall arise from and after the Execution Date and not on the Approval Date.

18. **Attorneys' Fees.** If an action is instituted for breach of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and costs, including an award of reasonable attorneys' fees and costs on appeal, in addition to any other relief. Such attorney's fees shall include the fees of attorneys who are employees of the prevailing party.

19. **Failure of CPUC Approval.** If this Agreement is not approved by the CPUC in a manner acceptable to the Parties within 18 months after the Execution Date, either party may at any time thereafter give written notice to the other that the Agreement will terminate 60 days after the receipt of such notice. If the CPUC approves the Agreement in a manner acceptable to the Parties after notice of termination has been given but before expiration of the 60-day notice period, the notice of termination shall be deemed rescinded. If the CPUC does not approve the Agreement in a manner acceptable to the Parties within the 60-day notice period, the Agreement shall terminate at the expiration of the 60-day notice period and those acts and obligations that are to be performed on or after the Approval Date shall be discharged and no Party shall thereafter be obligated to continue to perform this Agreement or any provision hereof. Whether this Agreement is approved by the CPUC in a manner acceptable to the Parties or not, those acts and obligations performed before the date of termination shall be final and no party shall have any claim to be restored to its pre-Execution Date status with regard to any of those acts or obligations.

20. **No Third Party Beneficiary.** The Agency, the County and CAW are the only parties with beneficial interests in this Agreement and no other party has any beneficial interest. There are no third party beneficiaries to this Agreement.

21. **Duplicate Originals.** This Agreement may be executed in one or more duplicate counterparts, any one or all of which shall constitute but one agreement.

CALIFORNIA-AMERICAN WATER COMPANY

By: Robert G MacLean
Robert MacLean, President

APPROVED AS TO FORM & LEGALITY:

COUNTY OF MONTEREY

By: Charles McKee
Charles McKee, County Counsel

COUNTY OF MONTEREY

By: Dave Potter
Dave Potter, Chair of the Board of Supervisors

**MONTEREY COUNTY WATER RESOURCES
AGENCY**

By: Dave Potter
Dave Potter, Chair of the Board of Supervisors

**MONTEREY COUNTY WATER RESOURCES
AGENCY**

By: Kenneth O. Ekelund
Kenneth O. Ekelund, Vice-Chair, Board of Directors

**MONTEREY COUNTY WATER RESOURCES
AGENCY**

By: David E. Chardavoyne
David E. Chardavoyne, Interim General Manager

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

| | | | |
|-----------------------------------|--|---------------------|-------------------|
| MEETING DATE: | June 21, 2013 | AGENDA ITEM: | |
| AGENDA TITLE: | CONSIDER RECOMMENDING THAT THE FULL BOARD OF DIRECTORS APPROVE AMENDMENT NO. 1 TO THE LEGAL SERVICES AGREEMENT WITH DOWNEY BRAND ATTORNEYS, LLP IN THE AMOUNT OF \$250,000 FOR LEGAL SERVICES IN CONNECTION WITH THE PROPOSED REVOCATION OF PERMIT NO. 11043 BY THE STATE WATER RESOURCES CONTROL BOARD (SWRCB); AND, AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AMENDMENT | | |
| Consent () | | Action (X) | |
| Information () | | | |
| SUBMITTED BY: | Cathy Paladini | PREPARED BY: | Peggy Schoolfield |
| PHONE: | (831) 755-4861 | PHONE: | (831) 755-8913 |
| DEADLINE FOR BOARD ACTION: | | June 21, 2013 | |

RECOMMENDED BOARD ACTION:

Recommend that the full Board of Directors approve Amendment No. 1 to the legal services agreement with Downey Brand Attorneys, LLP in the amount of \$250,000 for legal services in connection with the proposed revocation of Permit No. 11043 by the State Water Resources Control Board (SWRCB), and, authorizing the General Manager to execute the Amendment.

PRIOR RELEVANT BOARD ACTION:

On January 28, 2013, the Board of Directors approved Resolution 13-R01 recommending that the Board of Supervisors of the Water Resources Agency recognize the importance of controlling and reversing seawater intrusion and nitrate levels in the Salinas Valley Groundwater Basin, and commit to all steps necessary to collaborate with stakeholders and the public to develop further measures, including contesting the proposed revocation of State Water Resources Control Board Permit 11043, to assure the integrity of basin resources.

On February 5, 2013, the Board of Supervisors of the Water Resources Agency adopted the recommended Resolution.

A Legal Services Agreement with Downey Brand, LLP in connection with the proposed revocation of Permit No. 11043 in the amount of \$100,000 was approved by the Monterey County Water Resources Agency Board of Directors on February 25, 2013.

DISCUSSION/ANALYSIS:

Downey Brand has been actively preparing to oppose the revocation of Permit 11043 since the hearing was noticed on November 24, 2012. The Legal Services Agreement with the Amendment No. 1 will formalize their representation and set a budget for legal services associated with opposing the revocation of Permit 11043.

The legal agreement with Downey Brand Attorneys, LLP, as approved by the Board of Directors on February 25, 2013, was for \$100,000 for legal expenses. The agreement was established in order to provide the necessary legal services associated with the proposed revocation of Permit No. 11043 by the SWRCB. The proposed \$250,000 Amendment No. 1 will increase the amount of money available for the task in Administration Fund 111.

| | | |
|---|--|---------------|
| FINANCIAL IMPACT: | YES (X) \$250,000 | NO () |
| FUNDING SOURCE: | Fund 111 | |
| COMMITTEE REVIEW AND RECOMMENDATION: | | |
| ATTACHMENTS: | <ol style="list-style-type: none"> 1. Board Order 2. Legal Services Agreement Amendment No. 1 3. Legal Services Agreement | |
| APPROVED: | <hr/> <div style="display: flex; justify-content: space-between;"> General Manager Date </div> | |



*Before the Board of Directors of the Monterey County Water Resources Agency
County of Monterey, California*

Board Order No. _____

APPROVE AMENDMENT NO. 1 TO THE LEGAL SERVICES)
AGREEMENT WITH DOWNEY BRAND ATTORNEYS, LLP IN THE)
AMOUNT OF \$250,000 FOR LEGAL SERVICES IN CONNECTION)
WITH THE PROPOSED REVOCATION OF PERMIT NO. 11043 BY)
THE STATE WATER RESOURCES CONTROL BOARD; AND,)
AUTHORIZE THE GENERAL MANAGER TO EXECUTE)
THE AGREEMENT)

Upon motion of Director _____, seconded by Director _____, and
carried by those members present, the Board of Directors hereby:

1. Approves Amendment No. 1 to the Legal Services Agreement with Downey Brand Attorneys, LLP for Legal Services in the amount of \$250,000 in connection with the proposed revocation of Permit No. 11043 by the State Water Resources Control Board; and,
2. Authorizes the General Manager to execute the agreement.

PASSED AND ADOPTED on this 24th day of June 2013 by the following vote, to-wit:

AYES:

NOES:

ABSENT:

BY: Ken Ekelund, Chair
Board of Directors

ATTEST: David E. Chardavoyne
General Manager

DOWNEY BRAND ATTORNEYS, LLP

**AMENDMENT NO. 1
TO LEGAL SERVICES AGREEMENT RE:
THE PROPOSED REVOCATION OF PERMIT NO. 11043
BY THE STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

The undersigned parties hereby agree to renew and amend that certain Legal Services Agreement between the Monterey County Water Resources Agency and Downey Brand Attorneys, LLP, executed and effective on _____, 2013 for Downey Brand Attorneys, LLP to perform legal services on behalf of MCWRA with respect to the proposed revocation of Permit No. 11043 by the State Water Resources Control Board (SWRCB).

1. Paragraph 2.02 of the Agreement is hereby amended to read as follows:

2.02 Budget The Budget under the Agreement shall be increased by the amount of two hundred fifty thousand dollars (\$250,000.00). This additional amount is over and above the initial Budget amount of one hundred thousand dollars (\$100,000.00) for a total budget under the Agreement as amended not to exceed three hundred fifty thousand dollars (\$350,000.00). DBA shall revise the Budget estimates in the Case Evaluation and Plan, or in subsequent case Status Reports, if events occur which substantially impact the total required Budget. Proposed budget increases must be approved by MCWRA before increased charges or expenditures are accrued. DBA shall notify County Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the amount added by this Amendment No. 1 has been spent.

3. Except as set forth above, all other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, MCWRA and Downey Brand Attorneys, LLP have caused this Amendment No. 1 to be executed as follows:

Monterey County Water Resources Agency

Downey Brand Attorneys, LLP

David E. Chardavoine, General Manager

Kevin M. O'Brien

DATED: _____

DATED: _____

DOWNEY BRAND ATTORNEYS, LLP

**AMENDMENT NO. 1
TO LEGAL SERVICES AGREEMENT RE:
THE PROPOSED REVOCATION OF PERMIT NO. 11043
BY THE STATE WATER RESOURCES CONTROL BOARD (SWRCB).**



Approved as to form:

Approved as to fiscal provisions:

Deputy County Counsel

Auditor-Controller

DATED: _____

DATED: _____

Risk Management

CAO Administrative Analyst

DATED: _____

DATED: _____

LEGAL SERVICES AGREEMENT

THIS IS AN AGREEMENT between MONTEREY COUNTY WATER RESOURCES AGENCY, a flood control and water conservation agency established by the state of California (hereinafter referred to as MCWRA), and DOWNEY BRAND LLP (hereinafter referred to as DB).

RECITALS

- A. MCWRA is empowered to contract for needed legal consulting and litigation services when it is necessary and appropriate that legal services be performed for MCWRA and its officers and employees in excess of those services offered by the Office of the Monterey County Counsel.
- B. MCWRA desires to retain DB to perform legal services on behalf of MCWRA with respect to the proposed revocation of Permit No. 11043 by the State Water Resources Control Board (SWRCB).

COVENANTS

NOW, THEREFORE, the parties agree as follows:

I. SERVICES TO BE PERFORMED.

1.01. Services to be Performed by DB. MCWRA hereby hires DB to render independent consulting and legal services for the County Counsel and MCWRA, subject to the terms of this agreement. DB shall perform said services faithfully and well, when needed by, and as requested by, County Counsel or his deputies in conjunction with requirements of the MCWRA. The services to be performed under this contract shall consist of tasks related to opposing the proposed permit revocation named in Paragraph B above. DB shall perform only such services as are within the expertise of its individual attorneys, and DB will notify County Counsel and MCWRA promptly if any work requested is beyond such expertise. DB shall diligently provide such legal services as are necessary and approved by MCWRA in a professional, timely manner. DB shall perform all of its services with due regard to ethical guidelines and the client's interests. This Agreement shall supplement the retention letter dated January 25, 2013 attached hereto as Exhibit A (the Retention Letter). In the event of a conflict between the terms of the Retention Letter and this Agreement, this Agreement shall control.

1.02. No Conflict of Interest. DB does not have an actual or potential interest adverse to MCWRA nor does DB presently represent a person or firm with an interest adverse to MCWRA with respect to the matter accepted. DB shall immediately advise County Counsel or his designee and MCWRA in writing if an actual or potential conflict of interest arises or is discovered.

1.03. Reporting Requirements. DB shall provide to County Counsel and MCWRA written status reports containing all pertinent information, each time a significant action or event occurs in the case, or at either County Counsel's or MCWRA's specific request. Such written reports may be submitted in or attached to electronic mail.

1.04. Closing Report. If this Agreement is terminated as set forth herein or for any reason DB is no longer representing MCWRA with respect to a matter, DB shall submit a report, herein referred to as the Closing Report, describing the status of the matter, listing future court dates and other pertinent dates and setting forth any other information needed by another attorney to handle the matter. The Closing Report will be expeditiously submitted, together with any necessary executed Substitutions of Attorneys, to County Counsel.

1.05. Oral Reports. DB shall immediately report orally to County Counsel or his designee and MCWRA, in person or by telephone, any event or discovery which is of an urgent nature or requires the immediate attention of MCWRA. DB shall promptly follow up such oral report with a Status Report reiterating such event or discovery.

1.06 Principal Contacts. The partner principally responsible for DB's performance under this agreement shall be Kevin O'Brien or such other DB attorney as he shall designate from time to time for specific services assigned to DB. The Counsel designated as DB's principal contact in the Office of the County Counsel shall be Charles McKee or his designee. DB's principal contact at MCWRA shall be the Interim General Manager of MCWRA or his designee.

II. COMPENSATION.

2.01 Compensation to Attorney. As consideration for DB's performance of this Agreement, MCWRA shall pay to DB the fees and necessary expenses calculated in accordance with DB's hourly rate and expense method of billing, as set forth in Exhibit B, attached hereto.

2.02 Budget. The initial Budget under this Agreement shall be One Hundred Thousand Dollars (\$100,000.00). DB shall revise the Budget estimates if events occur which substantially impact the Budget approved in the Plan or subsequent case Status Reports. Proposed budget increases must be approved by MCWRA, before payment for increased charges or expenditures may occur. DB shall notify County Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the Budget has been spent.

2.03 Monthly Accounting. DB shall account regularly via invoices for services rendered and costs and expenses incurred, within thirty days after the end of each calendar month, for time expended and for necessary expenses incurred in performance of services during the preceding calendar month.

2.04 Reimbursement Policy and Billing Requirements.

- a. MCWRA shall reimburse DB for all actual and necessary costs for the following items:
 - (1) Deposition and transcript fees;
 - (2) Filing fees;
 - (3) Postage and other delivery costs such as courier or overnight delivery;
 - (4) Travel including mileage at the prevailing IRS rate;
 - (5) Inside and outside photocopying and printing;
 - (6) Consultant and expert witness fees;
 - (7) Computerized legal research;

- (8) Witness fees;
- (9) Jury fees;
- (10) Trial exhibit preparation and trial technology;
- (11) Long distance telephone and conference call service charges; and
- (12) Other expenses when approved in advance.

b. MCWRA will not reimburse DB for any staff time or overtime for secretarial, clerical or word processing costs connected with preparing required status reports, time spent to provide information for a fee audit, for work not authorized by MCWRA or for which a Plan was not approved. Travel will be reimbursed as follows: Transportation at actual fare for economy or coach class, mileage at the prevailing IRS rate, and meals and lodging at reasonable business cost. When travel occurs at the request of, or is authorized or approved in advance by, County Counsel or MCWRA, DB may bill for attorney or staff travel time.

c. The fees charged shall be calculated correctly, contain no charges previously billed, and be consistent with the approved hourly fee schedule and with any budget maximum set forth in any budget accepted by MCWRA. The following information shall be set forth accurately in or attached to the billing invoice:

- (1) Permit number and hearing date;
- (2) Staffing level, hourly rate, and detailed time and activity descriptions for each attorney and/or paralegal, including time spent with respect to conferences, correspondence, depositions, document filing, hearings, meetings, research, case review, travel, trials and telephone calls; and
- (3) Invoices supporting all outside costs other than de minimis costs (such as, for example, bridge tolls and parking) which individually are in the amount of \$10 or less.

2.05 Monthly Invoices by Contractor; Payment.

(a) DB shall submit to Agency an invoice, in a format approved by Agency, setting forth the amounts charged by DB, together with an itemized basis for such amounts, and setting forth such other pertinent information Agency may require. DB shall submit such invoice monthly or as agreed by Agency, but in no event shall such invoice be submitted later than 30 days after completion of DB's work hereunder. Agency shall certify the claim if it complies with this contract and shall promptly submit such claim to the Monterey County Auditor-Controller, who shall pay the certified amount within 30 days after receiving the invoice certified by Agency. It is understood and agreed that DB shall complete all work described in Exhibit A for an amount not exceeding that set forth above (or the amount established by any subsequent amendment pursuant to Section 2.02 above), notwithstanding DB's submission of periodic invoices.

(b) DB agrees that Agency may withhold ten percent (10%) of the amount requested by DB from any progress payment, until such time as all goods and services are received in a manner and form acceptable to Agency.

(c) If, as of the date of execution of this Agreement, DB has already received payment from Agency for work which is the subject of this Agreement, such amounts shall be deemed to have been paid under this Agreement and shall be counted toward Agency's maximum liability set forth above.

III. TERM OF AGREEMENT.

3.01. The term of this agreement shall be one (1) year commencing on the date the last party to the agreement executes the agreement.

IV. INDEMNIFICATION

4.01 Indemnification for Professional Service Claims:

DB shall indemnify, defend and hold harmless the County of Monterey and MCWRA, their governing boards, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of DB, its employees, subcontractors, and agents in the performance of professional services under this Agreement, excepting only liability arising from the negligence, active negligence or willful misconduct of the County of Monterey or MCWRA, to which the doctrine of comparative fault may apply.

4.02 Indemnification for All Other Claims or Loss:

For any claim, loss, injury, damage, expense or liability other than claims arising out of DB's performance of professional services under this Agreement, DB shall indemnify, defend and hold harmless the County of Monterey and MCWRA, their governing boards, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by DB, its employees, subcontractors or agents, excepting only liability arising from the negligence, active negligence or willful misconduct of the County of Monterey or MCWRA, to which the doctrine of comparative fault may apply.

V. INSURANCE.

5.01. Prior to commencement of this Agreement, DB shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition DB upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the Agency's Contact, unless otherwise directed. DB shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and such insurance has been approved by the Agency. This approval of insurance shall neither relieve nor decrease the liability of DB.

5.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

5.03 Insurance Coverage Requirements.

Without limiting DB's duty to indemnify, DB shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification approved (Justification attached; subject to approval)

Workers' Compensation Insurance, if DB employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, DB shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage (tail coverage) with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

5.04 Other Insurance Requirements

All insurance required by this Agreement shall be with a company reasonably acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date DB completes its performance of services under this Agreement.

Each liability policy shall provide that the Agency shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellations, or intended non-renewal thereof. Each policy shall provide coverage for DB and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the Monterey County Water Resources Agency and the County of Monterey, their officers, agents, and employees as Additional Insureds with respect to liability arising out of DB's work, including ongoing

and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by DB's insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20-10-11-85 or CG 20-10-10-01 in tandem with CG 20-37-10-01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20-48-02-99.

Prior to the execution of this Agreement by the County, DB shall file certificates of insurance with the Agency's contract administrator, showing that DB has in effect the insurance required by this Agreement. DB shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

DB shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Agency, annual certificates to Agency's Contract Administrator. If the certificate is not received by the expiration date, County shall notify DB and DB shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by DB to maintain such insurance is a default of this Agreement which entitles Agency, at its sole discretion, to terminate this Agreement immediately.

VI GENERAL PROVISIONS.

6.01 Non-Assignment. DB shall not assign or transfer this Agreement, or any part thereof, without the written consent of MCWRA, nor shall DB assign any monies due or to become due to DB hereunder without the previous written consent of MCWRA.

6.02 Independent Contractor. Nothing in this Agreement shall be construed or interpreted to make DB anything but an independent contractor and in all DB's activities and operations pursuant to this Agreement, DB shall for no purposes be considered an employee of MCWRA.

6.03. Authority to Bind MCWRA. It is understood that DB, in the performance of any and all duties under this Agreement, has no authority to bind MCWRA to any agreements or undertakings with respect to any and all persons or entities with whom DB deals in the course of business, except with the express consent of MCWRA.

6.04. Non-Disclosure of Information. DB shall not disclose, without express written consent of MCWRA, any information relating to MCWRA business which has been submitted by MCWRA to DB pursuant to the services to be rendered pursuant to this Agreement. In the event that this Agreement is terminated, DB shall promptly return to MCWRA all papers, documents and the like belonging to MCWRA, but may first copy the client file if DB chooses. If the file is extensive, DB will consult with MCWRA and/or any substitute counsel to prioritize the order of copying and return of individual files.

6.05. Arbitration. In the event of any dispute arising out of or relating to this Agreement, the relationship of MCWRA and DB, or the services performed (including but not limited to disputes regarding attorneys' fees or costs of DB's performance of legal services hereunder), such dispute shall

be resolved by submission to binding arbitration in Monterey County, California, before a single retired judge or justice, in accordance with the California Arbitration Act, including Code of Civil Procedure Section 1283.05, which addresses discovery in arbitration.

6.06 Notices.

a. Notices permitted or required to be given to the respective parties under this Agreement shall be deemed given (1) when personally delivered to the Monterey County Counsel or to DB's principal partner contact; (2) when personally delivered to the party's principal place of business during normal business hours (i.e., to the Office of the Monterey County Counsel in Salinas, California, or to the DB's office in Sacramento, California), by leaving the notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by fax machine or email to the other party, to the fax number or email address indicated below; or (4) 3 days after the notice is deposited in the U. S. mail (by first class, certified, registered, or express mail), with postage fully prepaid, addressed to the party as indicated below.

b. Notices mailed to the parties shall be addressed as follows:

To MCWRA: Office of the County Counsel
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901-2680
Fax No.: (831) 755-5283
McKeeCJ@co.monterey.ca.us

To DB: Kevin O'Brien
Downey Brand LLP
621 Capitol Mall, 18th Floor
Sacramento, CA 95814
Fax No.: (916) 441-4021
kobrien@downeybrand.com

c. The mailing addresses, fax numbers and email addresses specified in paragraph (b) may be changed by either party by giving notice to the other in the manner provided herein.

6.07 Subcontracting. DB shall not subcontract or otherwise assign any portion of the work to be performed under this Agreement without prior written approval of MCWRA. Any and all subcontracts shall be subject to the provisions contained in this Agreement.

6.08 Modifications. This Agreement may be modified or amended only by written agreement of the parties. No waiver or modification of this Agreement or of any covenant, condition or limitation herein contained shall be valid unless in writing and duly executed by the parties hereto.

6.09 Non-Waiver. No covenant or condition of this Agreement can be waived except by the written consent of MCWRA. Forbearance or indulgence by MCWRA in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by DB. MCWRA shall be entitled to

invoke any remedy available to MCWRA under this Agreement or by law or in equity despite said forbearance or indulgence.

6.10 Entire Agreement. This Agreement contains the entire agreement of the parties relating to the rights herein granted and the obligations herein assumed.

6.11 Venue. If any party herein initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that venue thereof shall be the County of Monterey, State of California.

6.12 Construed Pursuant to California Law. The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the State of California.

6.13. Exhibits. Exhibit A (Fees and Expenses) is hereby incorporated by this reference.

IN WITNESS WHEREOF, MCWRA and DB have caused this Agreement to be executed as follows:

MONTEREY COUNTY WATER
RESOURCES AGENCY

DOWNEY BRAND ATTORNEYS LLP

Name:
Chair, Board of Directors

Kevin M. O'Brien
Partner

Dated: _____

Dated: _____

Approved as to form:

Approved as to form:

Charles J. McKee
County Counsel

Dated: _____

Name:
Auditor Controller

Dated: _____

Name:
Risk Management

Dated: _____

Name:
Principal Administrative Analyst

Dated: _____

EXHIBIT B

FEES AND EXPENSES

MCWRA shall pay DB the fees and necessary expenses calculated in accordance with the hourly rates and expense method of billing identified below. Fees and expenses are to be charged as set forth below. MCWRA will not pay DB for travel time that is not authorized in advance pursuant to Section 2.04(b). MCWRA will reimburse DB for actual expenses related to the travel.

DOWNEY BRAND LLP will be primarily responsible for providing the work but may draw on others in the firm as necessary. DOWNEY BRAND LLP's hourly rates are as follows:

| | |
|----------------------|-----------|
| Senior Partner: | \$350 |
| Junior Partner: | \$325 |
| Counsel: | \$305 |
| Associate: | \$215-295 |
| Paralegal: | \$160 |
| Senior Law Clerk: | \$145 |
| Law Clerk: | \$135 |
| Project Coordinator: | \$130 |

Travel: Expenses will be reimbursed in compliance with the Monterey County Travel Policies unless otherwise preapproved by the MCWRA.

Lodging and Meals: Actual but not to exceed County per diem without prior authorization.

DOWNEY BRAND LLP bills monthly for work performed and costs advanced.

DOWNEY BRAND LLP bills all overhead expenses, such as messenger, reproduction, facsimile, and other costs and expenses incurred, as costs advanced. All overhead expenses will be billed at DOWNEY BRAND LLP cost.

