

**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, July 19, 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 JUNE 21, 2013**

**COMMITTEE ACTION: Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee approved the June 21, 2013 Finance Committee Minutes.**

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

Manuel Saavedra, Water Resources Engineer, reviewed the financials for the CSIP/SVRP /SRDF. He noted that the projects were at 92% of their budget cycle and there was nothing out of the ordinary to report. He noted that the CSIP insurance policy fee is for recycled only and PCA pays a capped portion of this policy.

**COMMITTEE ACTION: Upon motion made by Committee Member Dave Hart and seconded by Committee Member Ken Ekelund, the Committee received the May 2013**

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

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

Cathy Paladini, Finance Manager, reviewed the May financials for all Agency funds. She noted that the Agency is waiting on water delivery revenues which will be seen in August 2013. The Agency is anticipating approximately \$2 million in total revenues for August 2013. Budget adjustments will be also made in August and staff hopes to post accruals by August 30. The Cal-Am reimbursement is still an issue to be resolved between the County and the Agency.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Richard Ortiz, the Committee received the May financials for all Agency funds.

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

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

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

**1. CONSIDER RECOMMENDING THAT THE FULL BOARD APPROVE AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH CARDNO ENTRIX IN THE AMOUNT OF \$26,492 FOR THE COMPLETION OF A FINAL ENVIRONMENTAL IMPACT REPORT RELATING TO THE SALINAS RIVER CHANNEL MAINTENANCE PROGRAM, BRINGING THE TOTAL AMOUNT OF THE AGREEMENT NOT TO EXCEED \$611,879; AND, AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AMENDMENT.**

Shaunna Juarez, Hydrologist, reviewed Amendment No. 3 to the professional services agreement with Cardno ENTRIX. She noted that the Agency has administered the Program since 1997, after severe flooding occurred on the Salinas River in March 1995. In order for the US Army Corps of Engineers (ACOE), the permitting authority, to issue a 404 permit they must have consultations with other Federal regulatory agencies regarding the Endangered Species Act. Also, the State Regional Water Quality Control Board is responsible for ensuring compliance with the Clean Water Act by issuing a 401 Water Quality Certification and additional State and local permits are also required. The preparation of an Environmental Impact Report (EIR) is one step in the process to obtain the necessary permits.

The Public Draft EIR comment period ended on May 31, 2013. The contract amendment is required in order for Cardno ENTRIX to prepare adequate technical responses to the large volume and variety of comments received as well as to provide additional meeting attendance and coordination due to the extension of time recently approved under Contract Amendment 2.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart, the Committee recommended that the full Board approve Amendment No. 3 to the Professional Services Agreement with Cardno Entrix in the amount of \$26,492 for the completion of a final environmental impact report relating to the Salinas River Channel Maintenance Program, bringing the total amount of the Agreement not to exceed \$611,879, and authorizing the General Manager to execute the Amendment.

**2. CONSIDER RECEIVING AN UPDATE ON A FUEL SPILL REIMBURSEMENT AGREEMENT BETWEEN THE MONTEREY COUNTY WATER RESOURCES AGENCY AND THE COUNTY OF MONTEREY.**

Cathy Paladini provided an update on the Fuel Spill Reimbursement Agreement. She noted that to date, the Monterey County Risk Management Department has reimbursed the Agency \$255,000 of the \$335,557 total expenditures that the Agency incurred prior to June 30, 2012. In addition, she provided a timeline of the ongoing discussions with Risk Management beginning in November 2012 regarding vendor invoices and State reimbursements.

The Agency has been asked by Risk Management to explain all direct and indirect costs of the project, a listing of fees from the consultant, confirmation of Administrative staff not directly charging to the project and an explanation of the Agency's CAM project/time reporting system – overhead calculation. A follow-up report will be provided to the Finance Committee after the requested report of information is delivered to the County of Monterey's CAO, Auditor-Controller and Risk Management Department.

Risk Management has directed the Agency to provide payment for a \$20,000 State reimbursement received prior to June 30, 2012. The Agency advised Risk Management that per the Fuel Spill Agreement the County was to reimburse the Agency \$335,557 for all expenses incurred before June 30, 2012. Therefore, until the Agency receives payment in full as the signed agreement states, it will not forward any State reimbursements prior to June 30, 2012.

The Committee expressed frustration over the actions taken by Risk Management and indicated that further discussion should be held between the Board members and the Board of Supervisors at the next Joint Board Leadership meeting in order to resolve this issue. In addition, the Committee discussed creating a process to get reimbursed by the County going forward and also suggested creating a master agreement between the Agency and the County.

**COMMITTEE ACTION:** Upon motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart, the Committee received the update on the Fuel Spill Reimbursement Agreement between the Monterey County Water Resources Agency and the County of Monterey and recommended placing this item on the Agenda for the full Board meeting in August 2013.

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

The next Finance Committee meeting will be held on August 16, 2013 at 10:00 A.M. Future agenda items to be discussed are the change order on the Hydro contract and the PCA audit.

**13. ADJOURNMENT**

The Committee adjourned at 11:15 a.m.

Submitted by: Alice Henault

Approved on: August 16, 2013