

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

FINANCE COMMITTEE

COMMITTEE MEMBERS

Claude Hoover (Chair)
David Hart
Ken Ekelund
Richard Ortiz

TIME: 10:30 a.m.
DATE: Friday, September 20, 2013
PLACE: Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901

MINUTES

1. **Call Meeting to Order @ 10:30 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

At the request of Staff, Items No. 11 and 12 were removed from the Agenda:

11. Consider recommending that the full Board consider approving Amendment No. 1 to the professional services agreement with Hagar Environmental Science (HES) to extend the contract until January 31, 2017; amending the Fee Schedule; and, authorizing the General Manager to execute the Amendment.

12. Consider recommending that the full Board consider approving a one-year professional services agreement with FISHBIO in the amount of \$392,603 for fish monitoring in support of the Salinas Valley Water Project (SVWP); and, authorizing the General Manager to execute the agreement.

Committee Action:

Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member David Hart, the Committee agreed to remove Items No. 11 and 12 from the Agenda.

3. **Approve the Minutes of the Finance Committee Meeting held on August 16, 2013**

Committee Action:

Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee approved the August 16, 2013 Finance Committee Minutes.

4. **Receive the June 2013 Financials for the Castroville Seawater Intrusion Project/Salinas Valley Reclamation Project, and the Salinas River Diversion Facility.**
Manuel Saavedra, Water Resources Engineer, reviewed the Financials for the CSIP/SVRP/SRDF. He noted that data normally provided by the Pollution Control Agency had not been available for this month's report. Therefore only Agency expenditures are recorded in this report.

Committee Action:

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

5. **Receive the June 2013 Financials for all Agency Funds.**
Cathy Paladini, Finance Manager, reviewed the June 2013 Financials for all Agency Funds. She noted that the year-to-date actual revenue was \$22,423,663 with year-to-date actual expenditures at \$23,167,066. In addition, she provided the Committee members with a copy of the Monterey County Water Resources Agency Preliminary Financial Status Report through June 2013.

Committee Action:

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

6. **Approve Purchase Orders/Contracts/Credit Card Purchases in excess of \$500.**
Cathy Paladini reviewed the purchase orders/contracts/credit card purchases.

Committee Action:

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

7. **Presentation from the Auditor-Controller's Office regarding Dry Period Loans.**
Al Friedrich, Assistant Auditor-Controller, provided information regarding the Dry Period Loan process. He noted that special districts, such as Monterey County Water Resources Agency, may request an advance on their anticipated revenues for the coming year based on their actuals for the prior year. These are called "Dry Period Loans". These loans are paid back after property taxes are collected in December and April. A discussion ensued wherein the Committee and Staff asked questions and received clarification on the process. Mike Miller, Auditor-Controller provided additional information and assistance. He noted that a Dry Period Loan is available for normal issues. Any large unanticipated emergencies would

have be treated separately and indicated that the Auditor-Controller's office would have to work with the Agency on such an issue.

8. **Consider recommending that the full Board approve a Professional Services Agreement with Spherion Staffing LLC, for a term ending January 31, 2014, for an amount not-to-exceed \$5,500, for job classifications specific to the Monterey County Water Resources Agency and not covered under the Monterey County Master Agreement with Spherion Staffing LLC; and, authorizing the General Manager to execute the Agreement.**

Wini Chambliss, Administrative Services Assistant, reviewed the proposed Professional Services Agreement with Spherion Staffing LLC. She noted that a temporary back-up worker is required to help at the Nacimiento Dam, San Antonio Dam and the Hydroelectric Plant. Help is needed with daily inspection, monitoring and adjustments as well as emergency response within 60 minutes. These functions require that someone be available 24 hours/seven days a week. Spherion Staffing will employ on an as-needed basis a temporary worker well versed with dam and Hydro operations for a term expiring January 31, 2014. Committee Member Richard Ortiz expressed concern that a Scope of Work for the worker was not included in the Agreement. He felt that such a Scope would help define the duties of the worker. Staff explained that the work was on an as-needed basis therefore the scope would change from time to time.

Committee Action:

Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member David Hart, the Committee recommended that the full Board approve a Professional Services Agreement with Spherion Staffing LLC, for a term ending January 31, 2014, for an amount not-to-exceed \$5,000, for job classifications specific to the Monterey County Water Resources Agency and not covered under the Monterey County Master Agreement with Spherion Staffing LLC; and, authorizing the General Manager to execute the Agreement.

9. **Consider receiving an update on the PCA Billing and Collection process; and, consider recommending that the full Board consider approving the Monterey County Water Resources Agency assume management of future Billing and Collections for the CSIP and SRDF Projects.**

Cathy Paladini, Finance Manager, provided an update on the PCA Billing and Collection process. She noted that based on the recommendations made by Hayashi & Wayland Independent Accountants to the Agency, the process for collecting accounts will change. The Agency will establish a policy for collecting accounts over 60 days and revise the CSIP and SRDF agreements to ensure consistency in MRWPCA accounting treatment between projects. In addition all water user fee billing and collections functions will be transferred from MRWPCA to the WRA effective October 1, 2013.

Based on the Accountant's findings and WRA Board directions in response to those findings, the Agency has identified that the total cost to perform meter reading, billing and collections is approximately \$14,000. The additional work to read 91 meters can be absorbed by current WRA field staff, and the billing and collections of 22 accounts can be performed by WRA's finance team.

According to the MRWPCA's recent accounting records for delinquent accounts, there are two customers with delinquent accounts. One customer with a debt of \$155,000 is on a payment arrangement of \$35,000 a month. The other customer has a delinquent account of

\$26,000 and did not receive billings due to incorrect address. MRWPCA has obtained the correct address and has compliance from this customer to pay in full.

Committee Action:

Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member Richard Ortiz, the Committee received the update on the Monterey Regional Water Pollution Control Agency (MRWPCA) billing and collection process; and recommends to the full Board approval of the Monterey County Water Resources Agency's staff recommendations to assume responsibilities of billing and collections for the CSIP and SRDF Projects.

10. **Consider recommending that the full Board consider approving and recommending that the Monterey County Board of Supervisors approve Budget Amendment No. 2 authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2013-14 Budget for various Funds due to timing differences of expenditures between FY 2012-13 and FY 2013-14.**

Cathy Paladini, Finance Manager, reviewed Budget Amendment No. 2. She noted that the Agency no longer appropriates estimated ending unassigned fund balances for the Budget. The purpose of Budget Amendment No. 2 is to adjust expenditures in Funds and Programs to appropriate additional amounts that are required due to timing differences in expenditures. General Manager, David Chardavoyne, commented that Agency accounting would be much simpler if it was "accrued based" accounting instead of the current "cost based" accounting to which both Mike Miller and Al Friedrich of the Auditor-Controller's office agreed.

Committee Action:

Upon Motion made by Committee Member Ken Ekelund and seconded by Committee Member Dave Hart, the Committee recommended this item be forwarded to the full Board for approval and recommendation that the Monterey County Board of Supervisors approve Budget Amendment No. 2 authorizing the Auditor-Controller to amend the Monterey County Water Resources Agency's FY 2013-14 Budget for various Funds due to timing differences of expenditures between FY 2012-13 and FY 2013-14.

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

The next Finance Committee meeting will be held on October 11, 2013 at 10:00 A.M. Strategic Planning will be discussed.

12. **ADJOURNMENT**

The Committee adjourned at 12:00 noon.

Submitted by: Alice Henault

Approved on: October 11, 2013