

**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, November 15, 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, Richard Ortiz
Members Absent: Ken Ekelund

A quorum was established.

2. Public Comment

None

3. Approve the Minutes of the Finance Committee Meeting held on October 11, 2013

Committee Action:

Upon Motion made by Committee Member Dave Hart and seconded by Committee Member Richard Ortiz, the Committee approved the October 11, 2013 Finance Committee Minutes.

4. Receive the Year-End 2012-2013 Financials for the Castroville Seawater Intrusion Project/Salinas Valley Reclamation Project, and the Salinas River Diversion Facility.

Manuel Saavedra, Water Resources Engineer, reviewed the year-end Financials for the CSIP/SVRP/SRDF. Because the Monterey Regional Water Pollution Control Agency is still concluding their audit monthly financial information has not been available. However, they were able to provide the year-end information to the Agency.

Committee Action:

Upon Motion made by Committee Member Richard Ortiz and seconded by Committee Member David Hart, the Committee received the year-end 2013 Financials for the

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

5. Receive the September 2013 Financials for all Agency Funds.

Cathy Paladini, Finance Manager, reviewed the September 2013 Financials for all Agency Funds. She noted that the current actual unassigned reserves are \$14,246,180. Year-to-date revenues are at \$1,139,409. Estimated remaining revenue is at \$21,137,304. This includes ad valorem taxes, assessments, water delivery, development, hydroelectric, annexation fees and other revenue, but does not include the Cal-Am or insurance reimbursements as they are not as yet realized. She reviewed each Fund and noted that all Funds are running in the negative and recommended reviewing ways to cut costs, particularly in labor costs and consultant fees.

The Committee asked that a high-level Project Summary Report be created which would show the total costs of the Agency projects as this information could be helpful to committee and board members and any interested public.

Committee Action:

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

7. Receive the Blanket Purchase Order Report through October 2013

Cathy Paladini review the blanket purchase order report.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee received the blanket purchase order report through October 2013.

8. Receive the July 2013 – September 2013 Board of Directors Fees and Mileage Report

Cathy Paladini review the July 2013 - December 2013 Board of Directors Fees and Mileage Report.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee received the July 2013 – September 2013 Board of Directors Fees and Mileage Report.

9. Receive the October 2013 Consultant Detail Report

Cathy Paladini reviewed the Consultant Detail Report.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee received the Consultant Detail Report.

- 10. Consider approving Amendment No. 1 to the Professional Services Agreement with Salinas Pump Company in the amount of \$50,000 to provide water well and pump maintenance, repair services and well logging services for the Castroville Seawater Intrusion Project through June 30, 2015; and authorize the General Manager to execute the Amendment.**

Manuel Saavedra, Water Resources Engineer reviewed the Professional Services Agreement. He noted that the Agency maintains 20 supplemental irrigation wells as part of the Castroville Seawater Intrusion Project. A contractor capable of performing a variety of water well and pump repairs, water well logging services and testing and rehabilitation work is required on an as-needed basis. Salinas Pump Company is a qualified contractor capable of meeting those needs. The purpose of Amendment No. 1 is to provide for continued repair work and maintenance of the CSIP supplemental wells and pumps. With the addition of Amendment No. 1, the contract total will be \$120,000.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee recommended approval of Amendment No. 1 to the Professional Services Agreement with Salinas Pump Company in the amount of \$50,000 to provide water well and pump maintenance, repair services and well logging services for the Castroville Seawater Intrusion Project through June 30, 2015; and recommended authorizing the General Manager to execute the Amendment.

- 11. Consider approving a Professional Services Agreement with Ron Adhya Consulting, LLC, in the amount of \$36,000, to prepare the Sixth Five-Year Part 12D Independent Consultant Report for Nacimiento Dam; and authorizing the General Manager to execute the Agreement.**

Manuel Quezada, Senior Water Resources Engineer, reviewed the Professional Services Agreement. He noted that Nacimiento Dam and the Hydroelectric Plant are operated under regulatory oversight from the California Department of Water Resources, Division of Safety of Dams (DSOD) and the Federal Energy Regulatory Commission (FERC).

The FERC mandates a Five-Year Part 12D Safety Inspection Report for Hydropower Projects be completed and updated. The report provides recommended procedures and criteria to develop a Dam Safety Performance Monitoring Program based upon “failure mode thinking” to assist in reviewing and evaluating the safety and performance of the Dam. This is the sixth report to be completed for Nacimiento Dam.

The Agency solicited proposals from eleven qualified engineering firms. Two proposals were received and reviewed by staff recommending Ron Adhya Consulting, LLC.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee recommended approval of a Professional Services Agreement with Ron Adhya Consulting, LLC, in the amount of \$36,000, to prepare the Sixth Five-Year Part 12D Independent Consultant Report for Nacimiento Dam; and recommended authorizing the General Manager to execute the Agreement.

12. Receive the Carr Lake Pump Station Evaluation Project Update

Manuel Quezada provided an update of the project. He noted that the Carr Lake Pump Station Evaluation Project was included in the approved FY 2013-2014 Budget in the amount of \$100,000

Gabilan and Natividad Creeks, and the Reclamation Ditch drain into Carr Lake and collect at a low-point referred to as the “four corners”. In past years, development of the upper sub-watersheds has increased non-winter flows impacting farming operations. The topography of the lake, in particular, creates ponding conditions which inhibit the ability to drain these low-flows into the mainstream of the Reclamation Ditch. A survey of the channel inverts will be required to better understand the dynamics of the system.

The Agency is in the process of distributing a Request for Proposals to qualified engineering firms to analyze dry weather drainage and evaluate installation of a pump station or other alternative to minimize these nuisance flows. Reconnaissance level planning and construction costs will be developed for a recommended project for budgeting purposes. Actual improvements would require a Proposition 218 ballot process however.

Manuel Quezada indicated that a model should be in place by June 30, 2014.

Committee Action:

Upon Motion made by Committee Member David Hart and seconded by Committee Member Richard Ortiz, the Committee received the Carr Lake Pump Station Evaluation Project Update.

13. Receive the Informational Update on the Status of Fisheries Monitoring Request for Proposals (RFP)

Elizabeth Krafft, Senior Water Resources Hydrologist, provided the update. She noted that on October 25, 2013 two (2) Requests for Proposals (RFP) were released for fisheries monitoring work. One RFP is to fulfill the Agency’s responsibilities pursuant to the permits for operation of the Salinas Valley Water Project (SVWP).

The second RFP is for monitoring tasks in the Salinas River Lagoon associated with the draft biological opinion for sandbar management. The RFPs were sent to current fisheries consultants as well as those that are known to the Agency and may be interested in the work. Both RFPs are posted on the Agency website and the County’s solicitation website. There is \$345,000 budgeted in FY 13/14 from Fund 115 for the monitoring work associated with the SVWP.

The due date to respond with a proposal for monitoring in support of the Salinas Valley Water Project was November 8th. It is anticipated that a draft agreement will come to the full Board for consideration at the December 16th Board meeting.

Committee Action:

The Committee received the information update on the status of fisheries monitoring Request for Proposals (RFP).

14. SET NEXT MEETING DATE AND DISCUSS FUTURE AGENDA ITEMS

The next meeting date and future agenda items were not discussed.

15. ADJOURNMENT

The Committee adjourned at 11:30 a.m.

Submitted by: Alice Henault

Approved on: January 17, 2014