

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

**FINANCE COMMITTEE**

**COMMITTEE MEMBERS**

Claude Hoover, Chair  
Mark Gonzalez

David Hart  
Glen Dupree

**TIME:** 10:00 a.m.  
**DATE:** Friday, June 2, 2017  
**PLACE:** Monterey County Water Resources Agency  
1441 Schilling Place, Conference Rm.12 (S1-1000)  
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. **Consider approving the Minutes of the Finance Committee meeting on March 3, 2016.**  
The Committee will consider approval of the Minutes of the above-mentioned meeting.
4. **Consider receiving the March 2017 Financials for all Agency Funds.**  
Cathy Paladini, Finance Manager, will review the March 2017 Financials for all Agency Funds.
5. **Consider approving Purchase Orders/Contracts/Credit Card Purchases in excess of \$500.**  
Cathy Paladini, Finance Manager, will review purchase orders/contracts/credit card purchases in excess of \$500.
6. **Consider receiving the Summary of Professional Services Agreements**  
Cathy Paladini, Finance Manager, will review the report.
7. **Consider receiving a verbal report on Agency Financial issues**  
Cathy Paladini, Finance Manager, will provide a verbal report.

**8. Consider receiving an update on the WRA Modification of Fund Accounting Structure**

Cathy Paladini, Finance Manager, will provide the update.

**9. Set next meeting date and discuss future agenda items.**

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

**10. Adjournment**

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

Claude Hoover (Chair)  
David Hart

Mark Gonzalez  
Glen Dupree

**TIME:** 10:00 a.m.  
**DATE:** Friday, March 3, 2017  
**PLACE:** Monterey County Water Resources Agency  
893 Blanco Circle  
Salinas, CA 93901

**MINUTES**

1. **Call Meeting to Order @ 10:03 a.m. by Committee Chair, Claude Hoover. A quorum was established.**

**Members Present:** Claude Hoover, David Hart, Mark Gonzalez, Glen Dupree  
**Members Absent:** None

2. **Public Comment:** None.
3. Approve the Minutes of the Finance Committee Meeting held on November 4, 2016..

**Committee Action:**

**On Motion and Second of Directors Hart and Dupree respectively, approved the Minutes of the Finance Committee meeting held on November 4, 2016.**

4. Consider receiving the December 2016 Financials for all Agency Funds. Cathy Paladini, Finance Manager, presented this item for consideration.

**Committee Action:**

**Upon Motion and Second by Directors Hart and Gonzalez respectively, received the December 2016 Financials for all Agency Funds.**

5. Consider approving Purchase Orders/Contracts/Credit Card Purchases in excess of \$500. Cathy Paladini, Finance Manager, presented this item for consideration.

**Committee Action:**

**Upon Motion and Second by Directors Gonzalez and Hart respectively, approved the Purchase Orders/Credit Card Purchases in excess of \$500.**

6. Consider receiving the July - September 2016 Consultants Report.  
Cathy Paladini, Finance Manager, presented this item for consideration..

**Committee Action:**

**Upon Motion and Second by Directors Hart and Gonzalez respectively, received the July – November-December 2016 Consultants report.**

7. Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors:
  - a. Approve a Budget Amendment for the Monterey County Water Resources Agency’s Fiscal Year 2016-17 Adopted Budget for the Bryant Canyon Channel Improvement Project;
  - b. Authorize the Auditor Controller’s Office to increase appropriations in the Monterey County Water Resources FY 2016-17 Adopted Budget for the Bryant Canyon Fund 121-9300-8267-WRA011 in the amount of \$75,000 financed by the unassigned fund balance in Fund 121-9300-8267-WRA011 (4/5th vote required); and
  - c. Authorize the Auditor Controller’s Office to incorporate the approved appropriation and estimated revenue modifications to the Monterey County Water Resources Agency’s FY 2016-17 Budget, and the County Administrative Office to reflect these approved changes in the FY 2017-18 Adopted Budget.Brent Buche, Deputy General Manager presented this item for consideration.

**Committee Action:**

**Upon Motion and Second by Directors Gonzalez and Hart respectively, recommended that the Monterey County Water Resources Agency Board of Supervisors:**

- a. Approve a Budget Amendment for the Monterey County Water Resources Agency’s Fiscal Year 2016-17 Adopted Budget for the Bryant Canyon Channel Improvement Project;
  - b. Authorize the Auditor Controller’s Office to increase appropriations in the Monterey County Water Resources FY 2016-17 Adopted Budget for the Bryant Canyon Fund 121-9300-8267-WRA011 in the amount of \$75,000 financed by the unassigned fund balance in Fund 121-9300-8267-WRA011 (4/5th vote required); and
  - c. Authorize the Auditor Controller’s Office to incorporate the approved appropriation and estimated revenue modifications to the Monterey County Water Resources Agency’s FY 2016-17 Budget, and the County Administrative Office to reflect these approved changes in the FY 2017-18 Adopted Budget.
12. Set next meeting date and discuss future agenda items.  
**The next meeting is scheduled on April 7, 2017 at 10:00 a.m.**
  13. Adjournment at 11:00 a.m.

Submitted by: Alice Henault

Approved on:



**Monterey County  
Water Resources Agency  
FY 2016-2017 Financial Status Report**

For Month Ending: March 31, 2017  
% Monthly Time Elapsed: 75.00%

| Fund          | Zone  | Fund Name            | Approved Budget               |                              |                         |                               | Adopted Budget                |                             |                        |                               | Year-to-Date                  |                         |                    |                         |                         |
|---------------|-------|----------------------|-------------------------------|------------------------------|-------------------------|-------------------------------|-------------------------------|-----------------------------|------------------------|-------------------------------|-------------------------------|-------------------------|--------------------|-------------------------|-------------------------|
|               |       |                      | Actual Beginning Fund Balance | Approved Budget Expenditures | Approved Budget Revenue | Estimated Ending Fund Balance | Actual Beginning Fund Balance | Adopted Budget Expenditures | Adopted Budget Revenue | Estimated Ending Fund Balance | Actual Beginning Fund Balance | YTD Actual Expenditures | YTD Actual Revenue | Percent Budget Expended | Percent Budget Received |
| 111           | ADMIN | Administration       | 96,303                        | 75,651                       | 0                       | 20,652                        | 96,303                        | 75,651                      | 0                      | 20,652                        | 96,303                        | n/a                     | n/a                | (28)                    | n/a                     |
| 112           | 1     | Pajaro Levee         | 104,124                       | 455,278                      | 420,601                 | 69,447                        | 104,124                       | 455,278                     | 420,601                | 69,447                        | 104,124                       | 239,880                 | 52.7%              | 293,473                 | 69.8%                   |
| 113           | CW    | Countywide           | 405,349                       | 995,809                      | 743,460                 | 153,000                       | 405,349                       | 995,809                     | 743,460                | 153,000                       | 405,349                       | 737,435                 | 74.1%              | 287,306                 | 38.6%                   |
| 114           | 2     | Naci Non-O&M         | 325,127                       | 535,025                      | 395,737                 | 185,839                       | 325,127                       | 535,025                     | 395,737                | 185,839                       | 325,127                       | 151,312                 | 28.3%              | 67,937                  | 17.2%                   |
| 115           | 2A    | SA Non-O&M           | 316,131                       | 675,281                      | 522,311                 | 163,161                       | 316,131                       | 675,281                     | 522,311                | 163,161                       | 316,131                       | 219,416                 | 32.5%              | 101,242                 | 19.4%                   |
| 116           | 2C    | Dam Ops              | 769,909                       | 4,575,413                    | 4,346,108               | 540,604                       | 769,909                       | 4,575,413                   | 4,346,108              | 540,604                       | 769,909                       | 2,581,078               | 56.4%              | 2,092,409               | 48.1%                   |
| 116           | 2C    | Camp                 | 1,631                         | 0                            | 0                       | 1,631                         | 1,631                         | 0                           | 0                      | 1,631                         | 1,631                         | 0                       | 0.0%               | 0                       | 0.0%                    |
| 116           | 2C    | 2C Admin             | 943,876                       | 342,476                      | 352,467                 | 953,867                       | 943,876                       | 342,476                     | 352,467                | 953,867                       | 943,876                       | 121,911                 | 35.6%              | 235,639                 | 66.9%                   |
| 117           | 3     | Lwr Salinas Rvr      | 87,264                        | 35,471                       | 35,261                  | 87,054                        | 87,264                        | 35,471                      | 35,261                 | 87,054                        | 87,264                        | 2,853                   | 8.0%               | 569                     | 1.6%                    |
| 118           | 5     | Merritt Lake         | 50,393                        | 42,778                       | 40,554                  | 48,169                        | 50,393                        | 42,778                      | 40,554                 | 48,169                        | 50,393                        | 28,693                  | 67.1%              | 334                     | 0.8%                    |
| 119           | 6     | CSP Trns & Wtr Cons  | 428,328                       | 209,221                      | 33,778                  | 252,885                       | 428,328                       | 209,221                     | 33,778                 | 252,885                       | 428,328                       | 0                       | 0.0%               | 1,750,614               | 5182.7%                 |
| 120           | 7     | No. County           | 28,592                        | 1,564                        | 4,663                   | 31,691                        | 28,592                        | 1,564                       | 4,663                  | 31,691                        | 28,592                        | 0                       | 0.0%               | 192                     | 3.9%                    |
| 121           | 8     | Soledad Storm Drain  | 149,705                       | 108,650                      | 71,435                  | 112,490                       | 149,705                       | 108,650                     | 71,435                 | 112,490                       | 149,705                       | 39,369                  | 36.2%              | 41,112                  | 57.6%                   |
| 122           | 9     | Reclamation Ditch    | 895,586                       | 1,544,208                    | 1,383,183               | 734,561                       | 895,586                       | 1,544,208                   | 1,383,183              | 734,561                       | 895,586                       | 1,162,694               | 75.3%              | 732,695                 | 53.0%                   |
| 123           | 11    | Monterey/Carmel Vly  | 165,033                       | 60,795                       | 57,711                  | 161,949                       | 165,033                       | 60,795                      | 57,711                 | 161,949                       | 165,033                       | 14,467                  | 23.8%              | 1,064                   | 1.8%                    |
| 124           | 12    | San Lorenzo Creek    | 54,212                        | 70,583                       | 38,675                  | 22,304                        | 54,212                        | 70,583                      | 38,675                 | 22,304                        | 54,212                        | 11,380                  | 16.1%              | 21,362                  | 55.2%                   |
| 125           | 14    | Arroyo Seco          | 730                           | 1,661                        | 1,771                   | 840                           | 730                           | 1,661                       | 1,771                  | 840                           | 730                           | 779                     | 46.9%              | 0                       | 0.0%                    |
| 126           | 15    | Camation Subdivision | 65,147                        | 21,658                       | 5,544                   | 49,033                        | 65,147                        | 21,658                      | 5,544                  | 49,033                        | 65,147                        | 0                       | 0.0%               | 411                     | 7.4%                    |
| 127           | 17    | Moro Cojo Slough     | 450,392                       | 218,694                      | 108,789                 | 340,487                       | 450,392                       | 218,694                     | 108,789                | 340,487                       | 450,392                       | 78,442                  | 35.9%              | 50,694                  | 46.6%                   |
| 128           | 2     | Storm Drain          | 174,983                       | 26,255                       | 20,969                  | 169,697                       | 174,983                       | 26,255                      | 20,969                 | 169,697                       | 174,983                       | 2,687                   | 10.2%              | 1,106                   | 5.3%                    |
| 129           | GS    | Gonzales Slough      | 5,123                         | 5,052                        | 4,293                   | 4,364                         | 5,123                         | 5,052                       | 4,293                  | 4,364                         | 5,123                         | 568                     | 11.3%              | 35                      | 0.8%                    |
| 130           | HY    | Naci Hydro Ops       | 414,160                       | 208,022                      | 61,000                  | 267,138                       | 414,160                       | 208,022                     | 61,000                 | 267,138                       | 414,160                       | 148,923                 | 71.6%              | 72,521                  | 118.9%                  |
| 131           | 2Y    | CSP O&M              | 1,531,981                     | 2,870,570                    | 2,164,412               | 825,823                       | 1,531,981                     | 2,870,570                   | 2,164,412              | 825,823                       | 1,531,981                     | 2,192,950               | 76.4%              | 769,926                 | 35.6%                   |
| 132           | 2Z    | SVRP                 | 1,546,235                     | 4,428,048                    | 3,761,201               | 879,388                       | 1,546,235                     | 4,428,048                   | 3,761,201              | 879,388                       | 1,546,235                     | 2,600,471               | 58.7%              | 2,145,569               | 57.0%                   |
| 133           |       | SVWP Revenue Fund    | 3,669,792                     | 2,137,845                    | 1,137,845               | 3,669,792                     | 3,669,792                     | 2,137,845                   | 1,137,845              | 3,669,792                     | 3,669,792                     | 1,428,403               | 66.8%              | 2,256,885               | 105.6%                  |
| 134           | SRDF  | SRDF Operations      | 3,300,197                     | 696,079                      | 1,549,905               | 4,154,023                     | 3,300,197                     | 696,079                     | 1,549,905              | 4,154,023                     | 3,300,197                     | 234,481                 | 33.7%              | 697,133                 | 45.0%                   |
| 303           |       | CSP Debt Svc         | 2,256,701                     | 1,835,779                    | 1,850,000               | 2,270,922                     | 2,256,701                     | 1,835,779                   | 1,850,000              | 2,270,922                     | 2,256,701                     | 0                       | 0.0%               | 12,420                  | 0.7%                    |
| 313           |       | SVWP Debt Service    | 0                             | 2,134,063                    | 2,134,063               | 0                             | 0                             | 2,134,063                   | 2,134,063              | 0                             | 0                             | 2,134,063               | 100.0%             | 1,425,543               | 66.8%                   |
| 425           |       | MBRWP Construction   | 13,938                        | 0                            | 0                       | 13,938                        | 13,938                        | 0                           | 0                      | 13,938                        | 13,938                        | 0                       | 0.0%               | 87                      | 0.0%                    |
| <b>Totals</b> |       |                      | <b>\$18,250,942</b>           | <b>\$24,311,929</b>          | <b>\$22,245,736</b>     | <b>\$16,184,749</b>           | <b>\$18,250,942</b>           | <b>\$24,311,929</b>         | <b>\$22,245,736</b>    | <b>\$16,184,749</b>           | <b>\$18,250,942</b>           | <b>\$15,691,193</b>     | <b>64.5%</b>       | <b>\$13,058,242</b>     | <b>58.7%</b>            |

\* Fund 111 includes monthly inter-fund reimbursements based on estimate -Total expenditures will be charged to other funds at 6/30/17

Attachment 1  
**Summary of Agency Administrative Fund 111**

|   | FY 2016-17<br>Adopted<br>Budget | Total<br>Obligations<br>Mar-17 | Percent<br>Budget<br>Expended<br>Target 100% | Total<br>Obligations<br>Mar-16 | Total Obligations<br>Variance<br>Mar-16 &<br>Mar-17 |
|---|---------------------------------|--------------------------------|--|--------------------------------|---|
| Salaries and Benefits                                   | 5,201,750                       | 3,690,543                      | 71%  | 3,562,131                      | 128,412   |
| Services & Supplies                                     | 2,121,844                       | 1,308,941                      | 62%  | 1,332,356                      | (23,415)  |
| Total Consultants                                       | 426,448                         | (10,414)                       | -2%  | 233,119                        | (243,533)   |
| Fixed Assets  | 71,199                          | 26,198                         | n/a  | 58,155                         | (31,957)  |
| Other Financing Uses                                    | 0                               | 0                              | n/a  | 0                              | 0   |
| <b>Totals before Inter-Fund Reimbursement</b>           | <b>7,821,241</b>                | <b>5,015,268</b>               | <b>64%</b>                                   | <b>5,185,761</b>               | <b>(170,493)</b>                                    |
| Inter-Fund Reimbursement                                | (7,745,590)                     | (3,292,273)                    |  | (4,560,471)                    | 1,268,198   |
| <b>Total Obligations after Inter-Fund Reimbursement</b> | <b>75,651</b>                   | <b>1,722,995</b>               |  | <b>625,290</b>                 | <b>1,097,705</b>                                    |

(Before Annual Charge Clearing Account balance)

**Attachment 2  
Water Resources Agency  
Financial Status Report  
Through MARCH FY 2016-17**

| Fund   | Approved Budget                    |                     | Est. Adopted<br>6/30/2017<br>Fund Balance | Obligations and Revenue |                             |                                   |   | Estimated<br>Ending<br>6/30/2017<br>Fund Balance |                         |
|--|------------------------------------|---------------------|---|-------------------------|-----------------------------|-----------------------------------|---|--|-------------------------|
|  | Actual<br>7/1/2016<br>Fund Balance | Expenditures        |   | Revenue                 | Year-to Date<br>Obligations | Percent of<br>Budget<br>Obligated | * Agency Annual<br>Charge Clearing<br>Account Balance |  | Year-To Date<br>Revenue |
| 111 Administration                             | 57,624                             | \$75,651            | (\$1,18,027)                              | \$1,722,996             | 2277.56%                    | \$1,511,207                       | (\$28)  | n/a  | \$58,054                |
| 111 Administration-Hydro Stabilization Reserve | 38,679                             | \$0                 | \$38,679                                  | \$0                     | n/a                         | \$0                               | \$0   | n/a  | \$38,679                |
| 112 Zone 1 - Pajaro River Levee                | 104,124                            | \$455,278           | \$69,447                                  | \$248,095               | 54.49%                      | \$113,874                         | \$293,473   | 69.77%   | \$103,610               |
| 113 Countywide                                 | 405,349                            | \$995,809           | \$153,000                                 | \$827,873               | 83.14%                      | (\$62,166)                        | \$287,306   | 38.64%   | \$404,117               |
| 114 Zone 2 - Nacimiento Dam Non-O&M            | 325,127                            | \$535,025           | \$395,737                                 | \$151,312               | 28.28%                      | \$376,601                         | \$67,937  | 17.17%   | \$324,102               |
| 115 Zone 2A - San Antonio Dam Non-O&M *        | 316,131                            | \$675,281           | \$163,161                                 | \$219,416               | 32.49%                      | \$435,477                         | \$101,242   | 19.38%   | \$315,290               |
| 116 Zone 2C - Dam Operations                   | 769,909                            | \$4,575,413         | \$540,604                                 | \$3,311,543             | 72.38%                      | \$746,483                         | \$2,092,409   | 48.14%   | \$765,003               |
| 116 Zone 2C - CAMP                             | 1,631                              | \$0                 | \$1,631                                   | \$0                     |                             | \$0                               | \$0   | n/a  | \$1,631                 |
| 116 Zone 2C - Administration                   | 943,876                            | \$342,476           | \$953,867                                 | \$188,212               | 54.96%                      | \$90,855                          | \$235,639   | 66.85%   | \$943,876               |
| <b>116 Total Fund 116</b>                      | <b>1,715,416</b>                   | <b>\$4,917,889</b>  | <b>\$1,496,102</b>                        | <b>\$3,499,755</b>      | <b>71.16%</b>               | <b>\$837,338</b>                  | <b>\$2,328,048</b>                                    | <b>49.55%</b>                                    | <b>\$543,708</b>        |
| 117 Zone 3 - Lower Salinas River Channel       | 87,264                             | \$35,471            | \$87,054                                  | \$2,853                 | 8.04%                       | \$32,159                          | \$569   | 1.61%  | \$87,024                |
| 118 Zone 5 - Merritt Lake                      | 50,393                             | \$42,778            | \$40,554                                  | \$28,693                | 67.07%                      | \$8,558                           | \$334   | 0.82%  | \$50,268                |
| 119 Zone 6 - CSIP Tr & Wtr Conservation        | 428,328                            | \$209,221           | \$33,778                                  | \$0                     | 0.00%                       | \$6,001                           | \$1,750,614   | 5182.71%   | \$426,968               |
| 120 Zone 7 - North Monterey County             | 28,592                             | \$1,564             | \$31,691                                  | \$0                     | 0.00%                       | \$0                               | \$182   | 3.91%  | \$28,525                |
| 121 Zone 8 - Soledad Storm Drain               | 149,705                            | \$108,650           | \$112,490                                 | \$39,369                | 36.23%                      | \$51,183                          | \$41,112  | 57.55%   | \$149,295               |
| 122 Zone 9 - Reclamation Ditch                 | 895,586                            | \$1,544,208         | \$734,561                                 | \$1,168,090             | 75.64%                      | \$266,587                         | \$732,695   | 52.97%   | \$892,368               |
| 123 Zone 11 - Monterey Peninsula               | 165,033                            | \$60,795            | \$57,711                                  | \$14,467                | 23.80%                      | \$36,838                          | \$1,064   | 1.84%  | \$164,650               |
| 124 Zone 12 - San Lorenzo Creek                | 54,212                             | \$70,583            | \$22,304                                  | \$11,380                | 16.12%                      | \$42,568                          | \$21,362  | 55.23%   | \$54,013                |
| 125 Zone 14 - Arroyo Seco Area                 | 730                                | \$1,661             | \$840                                     | \$779                   | 46.87%                      | \$0                               | \$0   | 0.00%  | \$730                   |
| 126 Zone 15 - Carnation Subdivision            | 65,147                             | \$21,658            | \$49,033                                  | \$0                     | 0.00%                       | \$21,131                          | \$411   | 7.42%  | \$64,993                |
| 127 Zone 17 - Moro Cojo Slough                 | 450,392                            | \$218,694           | \$340,487                                 | \$80,160                | 36.65%                      | \$83,789                          | \$50,694  | 46.60%   | \$449,318               |
| 128 Zone S2 - Storm Drain Maint District #2    | 174,983                            | \$26,255            | \$169,697                                 | \$2,687                 | 10.24%                      | \$15,944                          | \$1,106   | 5.27%  | \$174,570               |
| 129 Zone GS - Gonzales Slough Maintenance      | 5,123                              | \$5,052             | \$4,293                                   | \$568                   | 11.25%                      | \$4,084                           | \$35  | 0.81%  | \$5,109                 |
| 130 Zone HY - Nacimiento Hydroelectric Plant   | 414,160                            | \$208,022           | \$267,138                                 | \$171,289               | 82.34%                      | (\$12,786)                        | \$72,521  | 118.89%  | \$440,724               |
| 131 Zone 2B - CSIP Operation & Maint **        | 1,531,981                          | \$2,870,570         | \$2,164,412                               | \$2,286,721             | 79.66%                      | \$323,897                         | \$769,926   | 35.57%   | \$1,812,136             |
| 132 Zone 2B - SVRP Operation & Maint **        | 1,546,235                          | \$4,428,048         | \$3,761,201                               | \$2,637,258             | 59.56%                      | \$0                               | \$2,145,569   | 57.04%   | \$1,542,810             |
| 133 Salinas Valley Water Project Revenue Fund  | 3,669,792                          | \$2,137,845         | \$3,669,792                               | \$1,428,403             | 66.82%                      | \$0                               | \$2,256,885   | 105.57%  | \$3,661,577             |
| 134 Salinas River Diversion Facility O&M       | 3,300,197                          | \$696,079           | \$4,154,023                               | \$673,200               | 96.71%                      | \$304,113                         | \$697,133   | 44.98%   | \$3,321,422             |
| 303 Zone 2B - CSIP/SVRP Bond Debt Service      | 2,256,701                          | \$1,835,779         | \$1,850,000                               | \$0                     | 0.00%                       | \$0                               | \$12,420  | 0.67%  | \$1,976,876             |
| 313 WRA SVWP Debt Service                      | -                                  | \$2,134,063         | \$0                                       | \$2,134,063             | 100.00%                     | \$0                               | \$1,425,543   | 66.80%   | \$328                   |
| 425 MBRWP Construction                         | 13,938                             | \$0                 | \$13,938                                  | \$0                     | 0.00%                       | \$0                               | \$87  | 0.00%  | \$13,906                |
| <b>Total Agency</b>                            | <b>18,250,941</b>                  | <b>\$24,311,929</b> | <b>\$16,184,748</b>                       | <b>\$17,349,428</b>     | <b>71.36%</b>               | <b>\$4,396,396.99</b>             | <b>\$13,058,242</b>                                   | <b>58.70%</b>                                    | <b>\$18,271,974</b>     |

\* Agency Annual Charge Clearing Account Balance represents charges made in advance from Fund 111 to Other Agency Funds in order not to exceed budgeted total appropriations for the Fund. Also clearing account charges by other County departments. This will be zero at year-end when the actual monthly charges to other Agency funds are made.

\*\* Fund 111 includes monthly inter-fund reimbursements based on estimate - Total expenditures will be charged to other funds at 6/30/17



**Purchase Orders/Contracts in Excess of \$500.00  
 opened for the month of January 2017  
 and credit card purchases over \$500.00 in January 2017**

CONSENT

| Vendor<br>Description   | PO/Contract  | Zone | Amount       |
|---|--------------|------|--------------|
| One Rain, Inc.<br>For the installation and support to upgrade the base stations for<br>the ALERT2 Upgrade | DO0000013584 | CW   | 142,177.00   |
| Total   |              |      | 1 142,177.00 |

**Purchase Orders/Contracts in Excess of \$500.00  
opened for the month of January 2017  
and credit card purchases over \$500.00 in January 2017**

CONSENT

| Vendor<br>Description  | PO/Contract | Zone | Amount    |
|--|-------------|------|-----------|
| <b>Credit Card Purchases for January 2017</b>                |             |      |           |
| <b>United Rentals</b>  |             |      |           |
| Rental of a generator for the Espinosa Pump Station          |             | 9    | 613.42    |
| <b>Turf Club Catering</b>                                    |             |      |           |
| Catered lunch for the Strategic Planning Workshop on 1/12/17 |             | ADM  | 718.57    |
| <b>Ferguson Enterprises</b>                                  |             |      |           |
| Purchase of tools for maintenance at Nacimiento Dam          |             | 2C   | 917.39    |
| <b>Fulton Pacific</b>  |             |      |           |
| Purchase of sandbags for winter storm flood protection       |             | ADM  | 19,956.00 |
| Total  |             |      | 22,205.38 |



**Purchase Orders/Contracts in Excess of \$500.00  
opened for the month of February 2017  
and credit card purchases over \$500.00 in February 2017**

**CONSENT**

| Vendor<br>Description  | PO/Contract | Zone         | Amount           |
|--|-------------|--------------|------------------|
| <b>Credit Card Purchases for February 2017</b>   |             |              |                  |
| Batrum's Boat Repair<br>Repair to the trash rack of an Agency boat                         |             | ADM          | 3,841.58         |
| Batrum's Boat Repair<br>Boat motor repair  |             | ADM          | 3,150.32         |
| Quinn Rental Services<br>Rental of 5yd dump truck for Rec Ditch clean up Dec 2016-Feb 2017 |             | 9            | 11,109.80        |
| Pacific Ag Rental<br>Rental of John Deere tractor for Espinosa Road                        |             | 9            | 2,433.19         |
| LOWES<br>Replacement of microwave at San Antonio Dam residence                             |             | 2C           | 541.04           |
| Industrial Machine Shop<br>Repair of large green pump- Rec Ditch                           |             | 9            | 12,573.00        |
| Cole Parmer<br>Parts for the Nacimiento Dam Low Level Outlet                               |             | 2C           | 2,081.01         |
| JM Electric<br>Espinosa Pump Station repair  |             | 9            | 2,950.00         |
|  |             | <b>Total</b> | <b>38,679.94</b> |



**Purchase Orders/Contracts in Excess of \$500.00  
opened for the month of March 2017  
and credit card purchases over \$500.00 in March 2017**

CONSENT

| <b>Vendor<br/>Description</b>  | <b>PO/Contract</b> | <b>Zone</b> | <b>Amount</b>     |
|--|--------------------|-------------|-------------------|
| <b>Rain for Rent</b><br>For the rental and installation of pumps at the Nacimiento Dam<br>spillway | DO0000013944       | 2C          | 25,000.00         |
| <b>FishBio</b><br>Encumbrance for FY16-17 for fish monitoring services in support of<br>the SVWP   | DO0000013966       | SRDF        | 437,719.02        |
| <b>Total</b>   |                    |             | <b>462,719.02</b> |

**Purchase Orders/Contracts in Excess of \$500.00  
opened for the month of March 2017  
and credit card purchases over \$500.00 in March 2017**

CONSENT

| Vendor<br>Description   | PO/Contract | Zone | Amount    |
|---|-------------|------|-----------|
| <b>Credit Card Purchases for March 2017</b>   |             |      |           |
| United Rentals<br>Rental of a generator for the Espinosa Pump Station                             |             | 9    | 3,742.76  |
| Salinas Valley Ford Truck<br>Repair of the Agency Boom Truck                                      |             | ADM  | 4,553.84  |
| Quinn Rental Services<br>Rental of 5 yd dump truck for the Rec Ditch clean up                     |             | 9    | 2,771.09  |
| Toro Petroleum<br>Purchase of diesel for the Espinosa Pump Station                                |             | 9    | 822.01    |
| My Chevrolet<br>Light vehicle maintenance and repair  |             | ADM  | 915.23    |
| Toro Petroleum<br>Purchase of diesel for the Espinosa Pump Station                                |             | 9    | 595.85    |
| Toro Petroleum<br>Purchase of diesel for the Espinosa Pump Station                                |             | 9    | 743.23    |
| Green Rubber Kennedy Ag<br>Installation of layflat discharge line at the Espinosa Pump Station    |             | 9    | 1,163.89  |
| Always Towing<br>Heavy equipment transport  |             | ADM  | 562.50    |
| Kritz Excavating and Trucking<br>Purchase of rip rap and transport for the Nacimiento Plunge Pool |             | 2C   | 20,869.94 |
|   | Total       | 10   | 36,740.34 |

## Summary of Professional Service Agreements

### AECOM Technical Services, Inc.- Safety and surveillance of San Antonio Dam

| PSA/Amendment  | BOD/BOS Approval     | PSA/Amendment Original Amount/Term and Increase/Extension                   | PSA Total |
|----------------|----------------------|---|-----------|
| PSA            | BOD May 26, 2015     | Original Amount: \$49,450<br>Original Term: July 01, 2015-<br>June 30, 2016 | \$49,450  |
| Amendment No.1 | BOD January 25, 2016 | No Change to Amount- Carry over from<br>FY 15-16 to FY 16-17                | \$49,450  |
| Amendment No.2 | BOD June 27, 2016    | Increased by: \$50,164<br>Extended Term: June 30, 2017                      | \$99,614  |

### EPC Consultants, Inc.- Program Management for the ILT Project

| PSA/Amendment     | BOD/BOS Approval                            | PSA/Amendment Original Amount/Term and Increase/Extension                    | PSA Total   |
|-------------------|---|--|-------------|
| PSA               | BOS July 1, 2014                            | Original Amount: \$400,000<br>Original Term: July 01, 2014-<br>June 30, 2015 | \$400,000   |
| Amendment No. 1   | BOS December 9, 2014                        | Amended Term: June 03, 2014-<br>June 30, 2015                                | \$400,000   |
| Amendment No. 2   | BOS February 10, 2015                       | Increased by: \$75,000   | \$475,000   |
| Amendment No. 3   | BOD February 23, 2015<br>BOS March 17, 2015 | Increased by: \$1,024,000<br>Extended Term: June 30, 2017                    | \$1,499,000 |
| First Amended PSA | BOD March 20, 2017<br>BOS April 11, 2017    | Increased by: \$2,866,918<br>Extended Term: October 31, 2018                 | \$4,365,918 |

### FishBio- Fish monitoring services in support of the SVWP

| PSA/Amendment   | BOD/BOS Approval     | PSA/Amendment Original Amount/Term and Increase/Extension                      | PSA Total |
|-----------------|----------------------|--|-----------|
| PSA             | BOD August 27, 2012  | Original Amount: \$382,623<br>Original Term: August 27, 2012-<br>June 30, 2014 | \$382,623 |
| Amendment No. 1 | BOD January 27, 2014 | Increased by: \$237,000  | \$619,623 |
| Amendment No. 2 | BOD June 30, 2014    | Increased by: \$20,000<br>Extended Term: June 30, 2015                         | \$639,623 |

### FishBio Continued

|                 |  |                              |           |
|-----------------|--|------------------------------|-----------|
| Amendment No. 3 |  | Extended Term: June 30, 2017 | \$639,623 |
| Amendment No. 4 | BOD January 17, 2017<br>BOS January 31, 2017 | Increased by: \$350,000      | \$989,623 |

### Downey Brand LLP- General legal counsel services

| PSA/Amendment | BOD/BOS Approval                          | PSA/Amendment Original Amount/Term and Increase/Extension                    | PSA Total |
|---------------|---|--|-----------|
| PSA           | BOD February 23, 2015<br>BOS June 2, 2015 | Original Amount: \$431,000<br>Original Term: July 18, 2014-<br>July 18, 2017 | \$431,000 |

### Horizon Water & Environment- Environmental consulting services for ILT Project

| PSA/Amendment   | BOD/BOS Approval                         | PSA/Amendment Original Amount/Term and Increase/Extension                               | PSA Total   |
|-----------------|--|---|-------------|
| PSA             | BOS December 15, 2015                    | Original Amount: \$ 1,719,582<br>Original Term: December 15, 2015-<br>December 14, 2017 | \$1,719,582 |
| Amendment No. 1 | BOD March 20, 2017<br>BOS April 11, 2017 | Increased by: \$115,016<br>Extended Term: January 31, 2019                              | \$1,834,598 |

### McMillen Jacobs & Associates- Interlake Tunnel & Spillway Modification Design

| PSA/Amendment | BOD/BOS Approval                          | PSA/Amendment Original Amount/Term and Increase/Extension                      | PSA Total   |
|---------------|---|--|-------------|
| PSA           | BOD December 6, 2016<br>BOS March 7, 2017 | Original Amount: \$4,600,789<br>Original Term: March 3, 2017-<br>March 6, 2019 | \$4,600,789 |

### North American Weather Consultants, Inc.- Cloud seeding study

| PSA/Amendment | BOD/BOS Approval                             | PSA/Amendment Original Amount/Term and Increase/Extension                       | PSA Total |
|---------------|--|---|-----------|
| PSA           | Under \$25,000 - GM<br>Authorized to Approve | Original Amount: \$15,000<br>Original Term: November 9, 2016 -<br>June 30, 2017 | \$15,000  |

### Hagar Environmental Science- Environmental and biological monitoring

| PSA/Amendment | BOD/BOS Approval                          | PSA/Amendment Original Amount/Term and Increase/Extension                 | PSA Total |
|---------------|---|---|-----------|
| PSA           | Under \$25,000 - GM Authorized to Approve | Original Amount: \$19,000<br>Original Term: August 1, 2016- June 30, 2017 | \$19,000  |

### Greenline Liquid Waste Haulers- Video Services of damaged drain pipe

| PSA/Amendment | BOD/BOS Approval                          | PSA/Amendment Original Amount/Term and Increase/Extension                    | PSA Total |
|---------------|---|--|-----------|
| PSA           | Under \$25,000 - GM Authorized to Approve | Original Amount: \$10,000<br>Original Term: October 17, 2016 - July 01, 2017 | \$10,000  |

### Specialized Helicopters- Helicopter services related to ALERT maintenance

| PSA/Amendment | BOD/BOS Approval                          | PSA/Amendment Original Amount/Term and Increase/Extension                   | PSA Total |
|---------------|---|---|-----------|
| PSA           | Under \$25,000 - GM Authorized to Approve | Original Amount: \$12,000<br>Original Term: October 17, 2016- June 30, 2019 | \$12,000  |

### Management Partners- Facilitate Strategic Planning Workshops

| PSA/Amendment | BOD/BOS Approval                          | PSA/Amendment Original Amount/Term and Increase/Extension                 | PSA Total |
|---------------|---|---|-----------|
| PSA           | Under \$25,000 - GM Authorized to Approve | Original Amount: \$9,000<br>Original Term: August 01, 2016- June 30, 2017 | \$9,000   |

### Firato Services Company-Janitorial Services

| PSA/Amendment | BOD/BOS Approval                          | PSA/Amendment Original Amount/Term and Increase/Extension                | PSA Total |
|---------------|---|--|-----------|
| PSA           | Under \$25,000 - GM Authorized to Approve | Original Amount: \$13,092<br>Original Term: June 28, 2016- June 30, 2017 | \$13,092  |

**Kisco, Inc.- For the installation of a truck bed on the F550**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>             | <b>PSA Total</b> |
|----------------------|-------------------------|--|------------------|
| PSA                  | BOD March 31, 2014      | Original Amount: \$40,000<br>Original Term: March 15, 2016-<br>June 30, 2017 | \$40,000         |

**Towill, Inc.- Survey mapping services for the Interlake Tunnel Project**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>                       | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>                | <b>PSA Total</b> |
|----------------------|---|---|------------------|
| PSA                  | BOD September 19, 2016<br>BOS October 4, 2016 | Original Amount: \$120, 113<br>Original Term: October 4, 2016-<br>June 30, 2017 | \$120,113        |
| Amendment No. 1      | BOD November 21, 2016<br>BOS December 6, 2016 | Increased by: \$12,075  | \$132,188        |

**One Rain, Inc.- For the ALERT2 Upgrade**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>                       | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>                   | <b>PSA Total</b> |
|----------------------|---|--|------------------|
| PSA                  | BOD September 19, 2016<br>BOS October 4, 2016 | Original Amount: \$142,177<br>Original Term: October 4, 2016-<br>December 31, 2017 | \$142,177        |

**One Rain, Inc.- Data collection and software licensing services for the ALERT**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>                 | <b>PSA Total</b> |
|----------------------|-------------------------|--|------------------|
| PSA                  | BOD August 24, 2015     | Original Amount: \$19,440<br>Original Term: September 15, 2015-<br>July 31, 2018 | \$19,440         |

**Salinas Pump Company- Well pumping and maintenance of wells for the CSIP**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>               | <b>PSA Total</b> |
|----------------------|-------------------------|--|------------------|
| PSA                  | BOD August 24, 2015     | Original Amount: \$156,000<br>Original Term: August 24, 2015-<br>June 30, 2018 | \$156,000        |
| Amendment No.1       | BOD December 6, 2016    | Increased by: \$150,000<br>Extended Term: June 30, 2020                        | \$306,000        |

**Monterey Bay Systems- Lease and maintenance of color copiers**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>             | <b>PSA Total</b> |
|----------------------|-------------------------|--|------------------|
| PSA                  | BOD July 26, 2017       | Original Amount: \$72,000<br>Original Term: August 12, 2016<br>June 30, 2019 | \$72,000         |

**USGS- Joint Funding Agreement for stream gaging work**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>                    | <b>PSA Total</b> |
|----------------------|-------------------------|---|------------------|
| PSA                  | BOD October 17, 2016    | Original Amount: \$159,350<br>Original Term: November 01, 2016-<br>October 31, 2017 | \$159,350        |

**Power Systems Professionals- Hydroelectric Plant testing and engineering**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>                    | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>                | <b>PSA Total</b> |
|----------------------|--|---|------------------|
| PSA                  | Under \$25,000-GM<br>Authorized to Approve | Original Amount: \$3,000<br>Original Term: March 28, 2017-<br>December 31, 2017 | \$3,000          |

**Rain for Rent- Supply of rental pumps/equipment for Nacimiento Spillway**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>           | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>                | <b>PSA Total</b> |
|----------------------|-----------------------------------|---|------------------|
| PSA                  | \$25,000-GM Authorized to Approve | Original Amount: \$25,000<br>Original Term: December 21, 2016-<br>June 30, 2017 | \$25,000         |

**Raftelis Financial Consultants- Conduct a review and analysis of Assessments**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>              | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>            | <b>PSA Total</b> |
|----------------------|--------------------------------------|---|------------------|
| PSA                  | BOD May 23, 2016<br>BOS June 7, 2016 | Original Amount: \$110,360<br>Original Term: July 7, 2016-<br>June 30, 2017 | \$110,360        |

**JDH Corrosion Consultants, Inc. - As needed corrosion engineering consulting**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>               | <b>PSA Total</b> |
|----------------------|-------------------------|--|------------------|
| PSA                  | BOD October 26, 2015    | Original Amount: \$36,235<br>Original Term: October 26, 2015-<br>June 30, 2017 | \$36,235         |

**Obermeyer Hydro, Inc.- Modification of Nacimiento Dam Inflatable Spillway Gates**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>              | <b>PSA Total</b> |
|----------------------|-------------------------|---|------------------|
| PSA                  | BOD July 27, 2015       | Original Amount: \$35,216<br>Original Term: August 19, 2015-<br>June 30, 2019 | \$35,216         |
| Amendment No. 1      | BOD November 21, 2016   | Increased by: \$7,337   | \$42,553         |



**A&G Pumping, Inc.- Bulk transport of potable water to San Antonio Dam Residence**

| PSA/Amendment | BOD/BOS Approval                           | PSA/Amendment Original Amount/Term and Increase/Extension                  | PSA Total |
|---------------|--|--|-----------|
| PSA           | Under \$25,000-GM<br>Authorized to Approve | Original Amount: \$20,000<br>Original Term: May 19, 2015-<br>June 30, 2018 | \$20,000  |

**Always Towing- Towing services for the Agency's heavy vehicles**

| PSA/Amendment | BOD/BOS Approval                           | PSA/Amendment Original Amount/Term and Increase/Extension                | PSA Total |
|---------------|--|--|-----------|
| PSA           | Under \$25,000-GM<br>Authorized to Approve | Original Amount: 14,000<br>Original Term: July 6, 2015-<br>June 30, 2017 | \$14,000  |

**Cascade Software Systems, Inc.- Cost accounting software maintenance**

| PSA/Amendment | BOD/BOS Approval                           | PSA/Amendment Original Amount/Term and Increase/Extension                   | PSA Total |
|---------------|--|---|-----------|
| PSA           | Under \$25,000-GM<br>Authorized to Approve | Original Amount: \$22,000<br>Original Term: July 15, 2015-<br>July 01, 2017 | \$22,000  |

**Culligan- Delivery of drinking water to Nacimiento/San Antonio Dam residences**

| PSA/Amendment | BOD/BOS Approval                           | PSA/Amendment Original Amount/Term and Increase/Extension                  | PSA Total |
|---------------|--|--|-----------|
| PSA           | Under \$25,000-GM<br>Authorized to Approve | Original Amount: \$15,000<br>Original Term: May 5, 2015-<br>March 15, 2018 | \$15,000  |

**Industrial Machine Shop, Inc.- Machining services for Agency structures/equipment**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b> | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>                | <b>PSA Total</b> |
|----------------------|-------------------------|---|------------------|
| PSA                  | BOD September 22, 2014  | Original Amount: \$90,000<br>Original Term: December 12, 2014-<br>June 30, 2017 | \$90,000         |
| Amendment No. 1      | BOD June 22, 2015       | Increased by: \$60,000  | \$150,000        |
| Amendment No. 2      | BOD December 7, 2015    | Increased by: \$50,000  | \$200,000        |
| Amendment No. 3      | BOD January 30, 2017    | Increased by: \$150,000<br>Extended Term: June 30, 2019                         | \$350,000        |

**Viasyn, Inc.- Energy scheduling coordination for the Hydroelectric Plant**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>                      | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>         | <b>PSA Total</b> |
|----------------------|--|--|------------------|
| PSA                  | BOD August 26, 2013<br>BOS December 23, 2013 | Original Amount: \$20,000<br>Original Term: July 01, 2013-No end<br>date | \$20,000         |
| Amendment No. 1      | BOD December 8, 2014                         | Increased by: \$30,000   | \$50,000         |
| Amendment No. 2      | BOD January 30, 2017                         | Increased by: \$21,000   | \$71,000         |

**Burke, Williams & Sorenson, LLP- Legal services for ILT Project Labor Agreement**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>                     | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>            | <b>PSA Total</b> |
|----------------------|---|---|------------------|
| PSA                  | BOS February 9, 2016                        | Original Amount: \$20,000<br>Original Term: July 01, 2015-<br>July 30, 2017 | \$20,000         |
| Amendment No. 1      | BOD February 29, 2016<br>BOS March 22, 2016 | Increased by: \$134,000   | \$154,000        |

**First Alarm Security Services- Security services for 893 Blanco Circle**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>                    | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>              | <b>PSA Total</b> |
|----------------------|--|---|------------------|
| PSA                  | Under \$25,000-GM<br>Authorized to Approve | Original Amount:\$ 1,763.72<br>Original Term: July 01, 2016-<br>June 30, 2017 | \$1,763.72       |

**AllCal Equipment, Inc.- Annual safety inspections/certifications for the Boom Truck**

| <b>PSA/Amendment</b> | <b>BOD/BOS Approval</b>                    | <b>PSA/Amendment Original Amount/Term and Increase/Extension</b>              | <b>PSA Total</b> |
|----------------------|--|---|------------------|
| PSA                  | Under \$25,000-GM<br>Authorized to Approve | Original Amount:\$ 5,000<br>Original Term: December 6, 2014-<br>June 30, 2017 | \$5,000          |



Consider receiving an update on a proposal to modify the Water Resources Agency Accounting Fund Structure for FY 2018-19 to create more transparency in how revenues are reported in the Agency Budget and the Monterey County Advantage Accounting System as recommended by Rodney Craig Goodman Jr., CPA and the County Auditor-Controller's Office:

- a. Create a General Fund 111 by combining the following Agency Funds : 111, 113, 117, 118, 120, 123, 125, 126, 128, 129, 114, 115, that are financed by the following revenue type: Ad Valorem taxes, Royalties, Hydro-electric, Developer Fees/Permits, Rent; and
- b. Keep Flood and Special Assessment Revenue Funds separated for tracking: 112,116,121,122, 124, 127, 130, 131, 132, 134;
- c. Obtain recommendations from the A/C on Fund 119 - the Castroville Seawater Intrusion Project (CSIP) Transfer, and Fund 303 Debt Service/Rate Stabilization; and
- d. Delete Fund 133 which collects Ad Valorem to hold a second SVWP Bond payment in a fiscal year; this can be done in Fund 313 which is the Debt Service Fund for the Salinas Valley Water Project Bond (SVWP)
- e. Transfer remaining balances from SVWP Constructions Funds 422 and 423 to Fund 313 the Debt Service Fund for the SVWP Bond.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Directors:

- a. Create a General Fund 111 by combining the following Agency Funds : 111, 113, 117, 118, 120, 123, 125, 126, 128, 129, 114, 115, that are financed by the following revenue type: Ad Valorem taxes, Royalties, Hydro-electric, Developer Fees/Permits, Rent; and
- b. Keep Flood and Special Assessment Revenue Funds separated for tracking: 112,116,121,122, 124, 127, 130, 131, 132, 134;
- c. Obtain recommendations from the A/C on Fund 119 - the Castroville Seawater Intrusion Project (CSIP) Transfer, and Fund 303 Debt Service/Rate Stabilization; and
- d. Delete Fund 133 which collects Ad Valorem to hold a second SVWP Bond payment in a fiscal year; this can be done in Fund 313 which is the Debt Service Fund for the Salinas Valley Water Project Bond (SVWP)
- e. Transfer remaining balances from SVWP Constructions Funds 422 and 423 to Fund 313 the Debt Service Fund for the SVWP Bond.

Approve and recommend that the Monterey County Board of Supervisors approve a proposal to modify the Water Resources Agency Fund Structure to create more transparency in how revenues are reported in the Agency Budget and the Monterey County Advantage Accounting System as recommended by Rodney Craig Goodman Jr., CPA and the County Auditor-Controller's Office.

SUMMARY/DISCUSSION:

On January 26, 2015 the Water Resources Agency approved and recommended that the Monterey County Board of Supervisors approve this recommendation to modify the Water Resources Agency Fund Structure to create more transparency in how revenues are reported in the Agency Budget and the Monterey County Advantage Accounting System as recommended by Rodney Craig Goodman Jr., CPA and in collaboration with the County Auditor Controller's Office. This report is coming back to the Board of Director's for minor changes from the original

proposal that was approved by this Board in January 2015. The additional changes are described below.

The Monterey County Water Resource Agency has a complex fund accounting structure that includes 15 sources of revenue spread amongst 26 fund accounts. As mentioned in the report by Rodney Craig Goodman Jr., CPA, "Currently, many of these revenues are being allocated to multiple funds without being transferred. This makes budgeting more difficult and it adds a sense of entitlement to these dollars in other funds. If there is an agreement to backfill debt service charges to zones with ad valorem taxes, it would be less transactions and cleaner if the WRA General Fund just transferred the appropriate amount of ad valorem to fund the debt service payment." What Mr. Goodman is referring to is the Agency's most recent Salinas Valley Water Project Bond and its requirement to pledge all revenue to debt service to pay the annual bond payment. As a result, the Agency accumulates all pledged revenue into the Debt Service Fund 133 to ensure the annual payment of the bond and then redirects the remaining ad valorem to several smaller funds. By restructuring the Fund accounts, it enables the agency to classify its revenue based on the defined fund types described in the attached recommendations of John Goodman Jr., CPA and requires the agency to seek authorization from the Agency Board of Directors when transferring these monies between Funds, therefore, creating a clear audit trail.

- The yellow highlighted funds: 111, 113, 114, 115, 117, 118, 120, 123, 125, 126, 128, 129 and will be combined into one general fund of the WRA. Historically each of these zones (zones 3, 5, 7, 11, 14, 15, Storm Drain Maintenance #2, and Gonzales Slough) has made a claim to the ad valorem taxes attributed to each respective zone. However, the reason these zones appear to have a share of ad valorem taxes is because at the time proposition 13 was implemented these zones were considered the WRA. Thus, each of these zones was included in the applicable tax rate areas established between 1977 and 1979. I am unaware of any legal restrictions on the use of these ad valorem taxes either in California statutes or any WRA contractual agreement. Instead, the ad valorem taxes collected from these zones should be considered the discretionary revenues of the WRA. Discretionary revenues are non-earmarked moneys that may be spent as the WRA Board of Supervisors authorizes. With that said, any projects approved in these zones would require the use of these discretionary dollars because these zones do not have any other source of moneys, such as voter approved direct assessments or benefit assessments.
- The green highlighted funds: 112, 116, 121, 122, 124, 127, 130, 131, 132, 134 will remain in a separate special revenue fund due to either a direct assessment or benefit assessment that the voters passed to fund the prevention of flooding within each of these zones (zones 1, 1A, 2C, 8, 9, 12, and 17). Direct assessments or benefit assessments are voter approved tax assessments, above the one percent ad valorem taxes, which are earmarked for a specific purpose and cannot be used for an alternate purpose. These moneys can only be used for the specific purpose approved by the voters or they violate the legal provisions of the voter approved tax assessment. Therefore, WRA must keep these moneys in their own separate fund and only use them as directed by the voters. In all cases, the assessments and benefit assessments that have been approved in WRA are zone specific. Fund 130 has been added to this group and it is the Hydro-electric Plant which according to the Auditor-Controller's office has a requirement by the State of California to track and report its finances separately from other Agency Funds.
- The orange highlighted funds: 119, 303 will be reviewed by the Auditor-Controller by determining what to do with them. Fund 119 is called CSIP Transfer Fund. It transfers

special assessments from Zone 2B to Fund 131 CSIP O&M, 132 SVRP O&M, and transfers the US Bureau of Reclamation loan payment to Fund 303. Fund 303 also contains the Rate Stabilization Reserve (RSR) of approximately \$2 million that was once the construction fund for CSIP. According to the Auditor Controller's Office the debt service payment can be made out of Fund 131 O&M the same way we pay for MRWPCA's loan payments for the CSIP project. In addition, Fund 303 should not commingle a reserve with debt service payments. Therefore, the remaining \$1.8 million in the RSR will be moved to Fund 131 unassigned fund balance where it belongs.

- The blue highlighted funds (funds 133 and 313) will be collapsed into one debt service fund. Fund 313 appears to be the primary debt service fund where current year transactions for the SVWP principal and interest debt payments are made. Fund 133 appears to exist solely for the purpose of holding next year's bond payment. The Bond documents must be read to determine if a separate fund is required for next year's bond payment. It has been determined that fund 133 can be closed and a restricted cash account and restricted fund balance account be established for next year's bond payment within fund 313.
- The purple highlighted funds (funds 422, 423, 425) are capital projects funds and transferred to the SVWP Debt Service Fund. Moneys for the Salinas Valley Water Project (SVWP) construction of capital assets were transferred into capital projects funds from other sources such as debt proceeds. These are remaining debt proceeds after construction of the capital assets and will be transferred to fund 313 for repayment of the debt.
- Fund 426 will remain separated to track the Interlake Tunnel and Spillway Modification Grant funding of \$10 million dollars.

#### OTHER AGENCY INVOLVEMENT:

This report was prepared in collaboration with the County Auditor-Controller's Office. On May 17, 2017, the Auditor Controller requested to keep funds 130, 132, 134 as separate funds due to the special assessments collected and reporting requirements to the State of California. The Auditor-Controller will review funds 119 and 303 and get back to the Agency before July 1, 2017.

#### FINANCING:

There is no financial impact in providing this report.

Prepared by: Cathy Paladini, Finance Manager, (831) 755-4860

Approved by: \_\_\_\_\_  
David E. Chardavoyne, General Manager, (831) 755-4860

#### Attachments:

1. Rodney Goodman CPA Recommendation and Chart
2. WRA and County Final Recommendation
3. Board Order





May 24, 2017 - Reconstruction of WRA Accounting Funds after Collaboration with the County Auditor-Controller's Office

| General Fund 111 - Ad Valorem, Leases, Interest, Royalties, Developer Fees - Combine all funds listed below | Flood Benefit & Special Assessment Funds below will remain separated | <b>*A/C is reviewing Funds 119 &amp; 303; relationship to CSIP 131 and SVRP 132</b> | Use one SVWP Debt Service Funds 313 | Eliminate 133 -SVWP Trnsfr Fund to 313 | Transfer Completed SVWP Construction Funds to Debt Service Fund | Total Funds after Fund Restructure   |
|---|--|---|-------------------------------------|--|---|--|
| 111<br>113<br>114<br>115<br>117<br>118<br>120<br>123<br>125<br>126<br>128<br>129                            | 112<br>116<br>121<br>122<br>124<br>127<br>130<br>131<br>132<br>134   | 119<br>303  | 313                                 | 133                                    | 422 to 313<br>423 to 313  | <b>Fund 111 - General Fund</b><br>112 - Pajaro<br>116 - Naci/SA O&M<br>121 - Bryant Cyn<br>122 - Rec Ditch<br>124 - San Lornzo Crk<br>127 - Moro Cojo<br>130-Hydro-electric Revenue<br>131 - CSIP O&M<br>132 - SVRP O&M<br>134 - SRDF O&M<br>426 - Interlake Tunel |

\* Fund 119 transfers Zone 2B special assessments to Funds 131 and 132; keeps money to cover conservation plan, staff time, legal expenses

\*Fund 303 has been used historically to pay Bureau of Reclamation loan and to house the Rate Stablization Reserve (leftover construction \$ from CSIP 1998);

Bureau of Reclamation laon payment can be made directly from Fund 131 CSIP O&M



# Rodney Craig Goodman Jr., CPA

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Date: July 28, 2014

To: Michael J. Miller, Auditor-Controller and  
David E. Chardavoyne, General Manager of Monterey County Water Resources Agency  
Cathy Paladini, Finance Manager II of Monterey County Water Resources Agency

From: Rodney Craig Goodman Jr., CPA

RE: Final Report for Monterey County Water Resources Agency (WRA) Fiscal Year 2013-2014 contract

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The following is the final report of work performed for WRA on the fiscal year 2013-2014 contract.

This report would not have been possible without the efforts of staff members from both the Auditor-Controller's Office and the WRA. Special thanks to Cathy Paladini, Finance Manager of WRA for her efforts in this project. It has been a pleasure working with everyone in WRA.

I was not engaged to audit or review this financial information nor provide an opinion on it. Thus, I have not audited or reviewed this financial information nor have I provided an opinion on it.

Instead, it was requested that I perform the following services in accordance with the signed consulting contract:

- Review accounting design, controls and systems used to gather and report financial information
- Review fund structure of the WRA and recommend modifications
- Review accounting operations and transactions of the WRA and recommend modifications

Unfortunately, I was not able to look at specific accounting transactions of the WRA, nor was I able to review how the WRA gathers their accounting information for financial reporting purposes. However, I was able to review the fund structure of the WRA and how the revenues are reported in the budget and accounting systems and recommend modifications. I was also able to read the Hayashi and Wayland report and agreements between the WRA and Water Pollution Control Agency (WPCA) and provide recommendations below on potential improvements.

## **DISCUSSION**

### **Three Principles of Accounting and Financial Reporting for State and Local Governments – (National Council on Governmental Accounting – Statement 1)**

The first principal of accounting and financial reporting for state and local governments states that:

“A governmental accounting system must make it possible both: (1) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting



principles (GAAP), and (2) to determine and demonstrate compliance with finance-related legal and contractual provisions.”

The second principal of accounting and financial reporting for state and local governments states that:

“Governmental accounting systems should be organized and operated on a fund basis.”

“A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations”

The third principal of accounting and financial reporting for state and local governments states that:

“Governmental units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established, however, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.”

Based on these three principles, my goal for analyzing the fund structure of the WRA is to determine: (1) if the proper number of funds are being used, (2) if the proper classification and types of funds are being used, (3) if the WRA can present fairly and with full disclosure the funds and activities of the WRA in conformity with GAAP, and (4) if the WRA can demonstrate compliance with finance-related legal and contractual provisions.

Another important consideration in fund structure is budgeting. Budgeting is not regulated by the principles mentioned above but is regulated by various California statutes. Nevertheless, financial reporting also requires a budget to actual comparison of funds and therefore, any recommended fund structure changes will consider the impacts on budgeting, accounting and financial reporting.

It is important to note here that accounting and budgeting requires much more detail than financial reporting. With the requirement for more details comes the need for more funds, departments, accounts, etc. Thus, I will focus on the accounting and budgeting needs of the WRA when analyzing its fund structure. For example, if you look at Monterey County’s Comprehensive Annual Financial Report (CAFR) you will see that the details of the 20+ funds of WRA are rolled up into two columns on two pages of the CAFR. However, budgeting and accounting happens at the 20+ individual funds and department levels.

**Fund Types and Classifications (Governmental Accounting, Auditing, and Financial Reporting – authored by Stephen J. Gauthier, published by Governmental Finance Officers’ Association)**

Proprietary funds are used to account for activities that receive significant support from fees and charges. There are two types of proprietary funds: (1) enterprise funds and (2) internal service funds.

Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. An enterprise fund must be used if it meets any of the following criteria: (1) there is outstanding debt that is backed solely by fees and charges, (2) Laws or regulations require that fees and charges be set to recover costs, including capital costs (depreciation or debt service), or (3) there is a pricing policy that fees and charges be set to recover costs, including capital costs (depreciation or debt service).

Governmental funds are used to account for activities primarily supported by taxes, grants, and similar revenue sources. There are five types of governmental funds: (1) general fund, (2) special revenue fund, (3) capital projects fund, (4) debt service fund and (5) permanent fund.

The general fund is the main operating fund used to account for and report all financial resources not accounted for and reported in another fund. For reporting purposes, a government can report only one general fund.

A special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

A capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

A debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

### **Recommended Fund Modifications**

Attached to this report is a spreadsheet entitled, "Fund and Revenue Information 2013", which identifies the proper fund classification and fund type for each WRA fund based upon an analysis of the revenues against the above definitions. The following is a summary of the attached spreadsheet:

- The yellow highlighted funds (funds 113, 117, 118, 120, 123, 125, 126, 128, and 129) could all be combined into one general fund of the WRA.

I understand that historically each of these zones (zones 3, 5, 7, 11, 14, 15, S2, and GS) has made a claim to the ad valorem taxes attributed to each respective zone. However, the reason these zones appear to have a share of ad valorem taxes is because at the time proposition 13 was implemented these zones were considered the WRA. Thus, each of these zones was included in the applicable tax rate areas established between 1977 and 1979. I am unaware of any legal restrictions on the use of these ad valorem taxes either in California statutes or any WRA contractual agreement. Instead, the ad valorem taxes collected from these zones should be considered the discretionary revenues of the WRA. Discretionary revenues are non-earmarked moneys that may be spent as the WRA Board of Supervisors authorizes. With that said, any projects approved in these zones would require the use of these discretionary dollars because these zones do not have any other source of moneys, such as voter approved direct assessments or benefit assessments.

- The green highlighted funds (funds 111, 112, 116, 119, 121, 122, 124, 127, 131, 132, and 303) should each remain in a separate special revenue fund due to either a direct assessment or benefit assessment that the voters passed to fund some function within each of these zones (zones 1, 1A, 2B, 2C, 2Y, 2Z, 8, 9, 12, and 17).

Direct assessments or benefit assessments are voter approved tax assessments, above the one percent ad valorem taxes, which are earmarked for a specific purpose and cannot be used for an alternate purpose. These moneys can only be used for the specific purpose approved by the voters or they violate the legal provisions of the voter approved tax assessment. Therefore, WRA must keep these moneys in their own separate fund and only use them as directed by the voters. In all cases, the assessments and benefit assessments that have been approved in WRA are zone specific.

- The blue highlighted funds (funds 114, 115, 130, and 134) should be classified as either enterprise funds or included in the general fund.

The Salinas River Diversion Facility (fund 134) and the Hydroelectric Operations (fund 130) both initially appear to be enterprise funds because over 50% of their revenues come from customers outside the WRA for water delivery charges and hydroelectric revenue, respectively. However, if there is no outstanding debt that is backed solely by these fees and charges and/or, there is no law, regulation, or pricing policy requiring that these fees and charges be set to recover costs, then these funds may be classified as part of the WRA General Fund or an enterprise fund. It also appears that funds 114 and 115 are part of the hydroelectric operations. Thus, both funds should be combined into fund 130 if the hydroelectric operations are treated as an enterprise fund. Otherwise, both funds should be added to the WRA General Fund classification (yellow highlight above) because there are no earmarked funds to justify the creation of a special revenue fund.

- The orange highlighted funds (funds 133 and 313) should be classified as debt service funds.

Fund 313 appears to be the primary debt service fund where current year transactions for the SVWP principal and interest debt payments are made. Fund 133 appears to exist solely for the purpose of holding next year's bond payment. The Bond documents must be read to determine if a separate fund is required for next year's bond payment. If not required, I suggest that fund 133 be closed and a restricted cash account and restricted fund balance account be established for next year's bond payment within fund 313.

- The purple highlighted funds (funds 422, 423, 425) should be classified as capital projects funds.

Moneys for the construction of capital assets are transferred into capital projects funds from other sources such as debt proceeds. If there are remaining debt proceeds after construction of the capital assets is complete, then those moneys should be transferred to fund 313 for repayment of the debt.

### **Recommended Recording of Revenues**

- Ad Valorem Taxes - All ad valorem property taxes should be deposited and recorded in the WRA General Fund.

Proposition 13 set forth a maximum 1% ad valorem property tax rate to be levied on all residential and commercial property in California. The County levies and collects all property taxes within the county borders. Property taxes are then distributed to each entity based on the AB 8 factors for that fiscal year. Ad valorem property taxes are discretionary moneys because there are no earmarked uses for this money. Thus, the WRA Board of Supervisors may appropriate these moneys to be spent within the WRA General Fund or authorize moneys to be transferred to other WRA funds for other purposes, such as specific projects, to pay debt service, or construct capital assets.

- Assessments and Benefit Assessments – should be recorded in the appropriate special revenue fund and spent within that same fund in accordance with the voter approved purpose(s).
- Developer Fees – should be deposited and recorded in the WRA General Fund unless specified by law or regulation to another fund.

If the developer fees are earmarked for a specific purpose by federal, state, or local law, then those fees should be recorded in a special revenue fund. Otherwise, all developer fees should be deposited and recorded in the WRA General Fund.

- Hydroelectric Revenues and Water Delivery Charges – should be deposited and recorded in the WRA General Fund unless either must be recorded in an enterprise fund

Enterprise funds are allowed to and should make a profit. These profits should be reinvested to maintain and improve existing capital assets and also saved for expansion projects.

- Grant Revenues – should be recorded in the fund which was awarded the grant
- Grazing Leases – should be recorded in the fund which granted the grazing lease

Any movement of the above mentioned revenue types after the initial recording must be completed by authorized transfers. This leaves a clear trail as to who was entitled to the money and where it was allocated for use. Currently, many of these revenues are being allocated to multiple funds without being transferred. This makes budgeting more difficult and it adds to the sense of entitlement to these dollars in other funds. If there is an agreement to backfill debt service charges to zones with ad valorem taxes, it would be less transactions and cleaner if the WRA General Fund just transferred the appropriate amount of ad valorem taxes to fund the debt service payment.

### **ADDITIONAL INFORMATION**

#### **Consider Re-writing the Agreements for Castroville Seawater Intrusion Project (CSIP), Salinas River Diversion Facility (SRDF), and Salinas Valley Reclamation Project (SVRP)**

Due to the many amendments of these agreements, there are missing sections, contradictory information and in some cases WRA and WPCA are not following the agreements for various reasons. It is strongly recommended that the agreements be reviewed and re-written to clarify the responsibilities and duties of all parties and that both parties adhere to the agreement. The Hayashi and Wayland report addresses many concerns and problems with the current agreements/amendments. A sample of issues from that report is listed below:

- Collection of revenues - accounts receivable balances for CSIP and SRDF were approximately 40% of the billings in 2012.
- Remittances of total user fees from WPCA to WRA – The process cannot be confirmed as the remittance section of the Agreement is missing.
- Creation of a collection policy – WRA should establish a collection policy to determine the process for collecting outstanding invoices greater than 60 days. WRA should consider performing the billing and collection functions themselves to save money.
- Reserves – WRA should review each reserve fund held by WPCA and consider revising the Agreements to allow for the return of some of these funds to the WRA.
- Indirect Costs – At the time of the report, WPCA charged a flat 10% indirect cost (10% is maximum per Agreements) to all expenses, including capital asset costs. Per the Agreements, WPCA will not include in the pool of indirect costs to be paid in part by WRA any cost that should be identified as a direct cost of another activity.
- Accounting System – Per the Agreements, Section 7.01 requires that WPCA maintain an accounting system that is in conformity with generally accepted accounting principles (GAAP) and allows for the segregation of all revenues and direct costs related to the SVRP, the CSIP, and all other WPCA activities. The systems shall also provide the ability to track revenues and direct costs and adequately identify and allocate indirect costs of the CSIP, SRDF, and SVRP.
- Expenditures – The requesting and receiving of payments is not being followed as per the agreement by either WPCA or WRA.

All of these issues have an impact on WRA's cash flows and available fund balance for budget purposes, whether it is the lack of timely collection of revenues, reserve amounts exceeding the required amounts, lack of timely requests and remittances for expenses and excess cash held in operating accounts at WPCA.

#### **Indirect Cost Rate Calculation by WPCA**

After reading Hayashi and Wayland's report issued May 31, 2013, and the various WRA/WPCA agreements and amendments, I was asked to assist WRA in reviewing the indirect cost rate calculation submitted by WPCA. After analyzing, I have additional questions as to what constitutes a direct cost and an indirect cost per the agreements. The Hayashi and Wayland report points to sections 1.10 and 1.11 to identify other direct costs, which includes "chemicals, training costs, accounting, insurance, equipment rental, fuel, utilities, permit fees, parts, tools, document reproduction costs, and postal costs." However, some of these costs appear to be included in the WPCA's indirect cost rate calculation based on fiscal year 2012-2013 audited financial statements.

An extension of the contract timeline is needed if WRA needs further assistance in this matter. An extension is also needed if WRA is still interested in looking at specific accounting transactions and operations with a focus on gathering accounting information for financial reporting.



Monterey County Water Resources Agency  
Fund Information  
As of February 13, 2014

|                                  | 112 | 111 | 113 | 114 | 115     | 116           | 116           | 117 | 118 | 119        | 303        | 131     | 132     | 120 | 121 | 122 | 123 | 124 | 125 | 126 | 127 | 134      | 128 | 129 | 130                      | 133 | 313 | 422 | 423 | 425 |  |  |  |
|----------------------------------|-----|-----|-----|-----|---------|---------------|---------------|-----|-----|------------|------------|---------|---------|-----|-----|-----|-----|-----|-----|-----|-----|----------|-----|-----|--------------------------|-----|-----|-----|-----|-----|--|--|--|
| Adv Fund                         | 112 | 111 | 113 | 114 | 115     | 116           | 116           | 117 | 118 | 119        | 303        | 131     | 132     | 120 | 121 | 122 | 123 | 124 | 125 | 126 | 127 | 134      | 128 | 129 | 130                      | 133 | 313 | 422 | 423 | 425 |  |  |  |
| AFIN Fund                        | 202 | 201 | 203 | 205 | 206     | 207           | 207           | 210 | 215 | 217        | 424        | 256     | 257     | 218 | 219 | 222 | 231 | 232 | 234 | 235 | 237 | not used | 251 | 252 | 260                      | 133 | 313 | 422 | 423 | 425 |  |  |  |
| AFIN BU                          | 930 | 930 | 930 | 930 | 930     | 930, 934, 935 | 930, 934, 935 | 930 | 930 | 930        | 930        | 930     | 930     | 930 | 930 | 930 | 930 | 930 | 930 | 930 | 930 | not used | 930 | 930 | 930                      | 930 | 930 | 931 | 931 | 931 |  |  |  |
| Zones                            | 1   | 1A  | CW  | 2   | 2A      | 2C            | 2C            | 3   | 5   | 2B (old 6) | 2B (old 6) | 2Y      | 2Z      | 7   | 8   | 9   | 11  | 12  | 14  | 15  | 17  | SRDF 134 | 52  | GS  | Nacimiento Hydroelectric |     |     |     |     |     |  |  |  |
| <b>Revenue Accounts</b>          |     |     |     |     |         |               |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Ad Valorem Taxes                 | X   |     | X   | X   | X       |               | X             | X   | X   |            |            |         |         | X   | X   | X   | X   | X   | X   | X   |     |          |     | X   | X                        |     |     |     |     |     |  |  |  |
| Interest & Other Income          | X   |     | X   | X   | X       | X             | X             | X   | X   | X          | X          | X       | X       | X   | X   | X   | X   | X   | X   | X   | X   |          |     | X   | X                        | X   |     |     |     |     |  |  |  |
| Benefit Assessment               | X   | X   |     |     |         | X             | X             |     |     |            |            |         |         |     | X   | X   |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Assessment                       | X   |     |     |     |         |               |               |     |     | X          | X          | X       | X       |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Bench Excavation Grant           | X   |     |     |     |         |               |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Reimburse regular project costs  | X   |     | X   | X   | X       | X             |               | X   | X   | X          | X          | X       |         | X   | X   | X   | X   | X   |     |     |     | X        | X   | X   | X                        |     |     |     |     |     |  |  |  |
| Developer fees/permits           |     |     | X   | X   | X       |               |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Hydroelectric revenue            |     |     | X   | X   | X       |               |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Grant Revenue                    |     |     | X   |     |         |               |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Grazing leases                   |     |     |     | X   | X       |               |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Royalties                        |     |     |     |     | X       |               |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Transfers from                   |     |     |     |     | X - 114 |               |               |     |     |            |            | X - 119 | X - 119 |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Fuel spill administrative charge |     |     |     |     |         | X             |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Annexation fees                  |     |     |     |     |         | X             |               |     |     |            |            |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Transfer to CSIP                 |     |     |     |     |         |               |               |     |     | X          | X          |         |         |     |     |     |     |     |     |     |     |          |     |     |                          |     |     |     |     |     |  |  |  |
| Water delivery charges           |     |     |     |     |         |               |               |     |     |            |            | X       |         |     |     |     |     |     |     |     |     | X        |     |     |                          |     |     |     |     |     |  |  |  |

Zone 2 - Nacimiento Dam - flood protection, water conservation, and recreation opportunities (operations)  
 Zone 2A - San Antonio Dam - flood protection, water conservation and recreation activities (operations)  
 Zone 2B (old zone 6) - Castroville Irrigation Project - alternative water source due to sea water intrusion in ground wells  
 Zone 2C - Salinas Valley Ordinance - Operations and maintenance (Nacimiento and San Antonio Dams) - flood protection, water conservation, and recreation

- RECOMMENDATIONS**
- 1 - Fund structure
    - Consider consolidating into one administrative fund (GF - for WRA). All ad valorem taxes should be first deposited into this fund. If these revenues are committed to another fund use a transfer to move the funds
    - Maintain each special revenue fund to track assessments and benefit assessments to the applicable zones
    - Consider using enterprise funds. Special revenue funds may also be an option. These functions rely on revenue generated by these funds or developer fees.
    - Consider using debt service funds
    - Consider using capital projects funds

2 - Revenues  
 Revenues should be deposited to a revenue account in the fund that receives them. If revenues are committed to another fund, they should be transferred out/in to that fund in a separate transaction. This provides a cleaner trail in who earned the revenues and where they are subsequently spent

