

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

Mark Gonzalez
John Baillie

Mike LeBarre
Matt Simis

TIME: 10:00 a.m.
DATE: Friday, September 6, 2019
PLACE: Monterey County Government Center
1441 Schilling Place, Tarragon Room
Salinas, CA 93901

AGENDA

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 August 2, 2019.**
4. **Consider receiving the July 2019 Financials for all Agency Funds.**
Fabricio Chombo, Finance Manager II, will provide report
5. **Consider receiving the Monterey County Water Resources Agency (Agency) FY 2018-19 Fourth Quarter Financial Status Report through June 30, 2019.**
Fabricio Chombo, Finance Manager II, will provide report
6. **Receive a verbal update on Financial Planning Update.**
Fabricio Chombo, Finance Manager II, will provide update
7. **Receive a verbal update on United States Bureau of Reclamation Loans.**
Fabricio Chombo, Finance Manager II, will provide update.
8. **Support approval of an agreement with Elecsys Corporation for the purchase of cathodic protection monitoring equipment (Remote Monitoring Units), and monthly subscription fees for communication and web services associated with the Castroville Seawater Intrusion Project (CSIP), in an amount not to exceed \$99,510 with an agreement term from September 2019 through December 2022; and, authorize the General Manager to execute the agreement.**
Manuel Saavedra, Water Resources Engineer, will present this item.

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

10. Adjournment

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

Mark Gonzalez
Matt Simis

Mike LeBarre
John Baillie

TIME: 10:00 a.m.
DATE: Friday, August 2, 2019
**PLACE: Monterey County Government Center
1441 Schilling Place, Saffron Room
Salinas, CA 93901**

MINUTES

1. Call Meeting to Order @ 10:06 a.m.

Members Present: Directors LeBarre, Simis, Gonzalez, and Baillie
Members Absent: None

A quorum was established.

2. Public Comment: None

3. Consider approving the Minutes of the Finance Committee meeting on June 7, 2019.

Committee Action: On Motion and Second by Directors LeBarre and Baillie respectively, the Committee approved the Minutes of the Finance Committee meeting held on June 7, 2019.

4. Consider receiving the June 2019 Financials for all Agency Funds.

Fabricio Chombo, Finance Manager II, provided the report.

Committee Action: On Motion and Second by Directors Baillie and Simis respectively, the Committee received the June 2019 Financials for all Agency Funds.

5. Financial Planning Update

Fabricio Chombo, Finance Manager II, provided the update.

6. Set next meeting date and discuss future agenda items.

The next meeting date is September 6, 2019. Future agenda items will include a report on obtaining a total value of all Water Resources Agency property.

7. The meeting adjourned at 11:05am.

Submitted by Misti Muramatsu

**MONTEREY COUNTY
WATER RESOURCES AGENCY
FY 2019-2020 FINANCIAL STATUS REPORT**

For Month Ending: July 31, 2019
% Monthly Time Elapsed: 8.33%

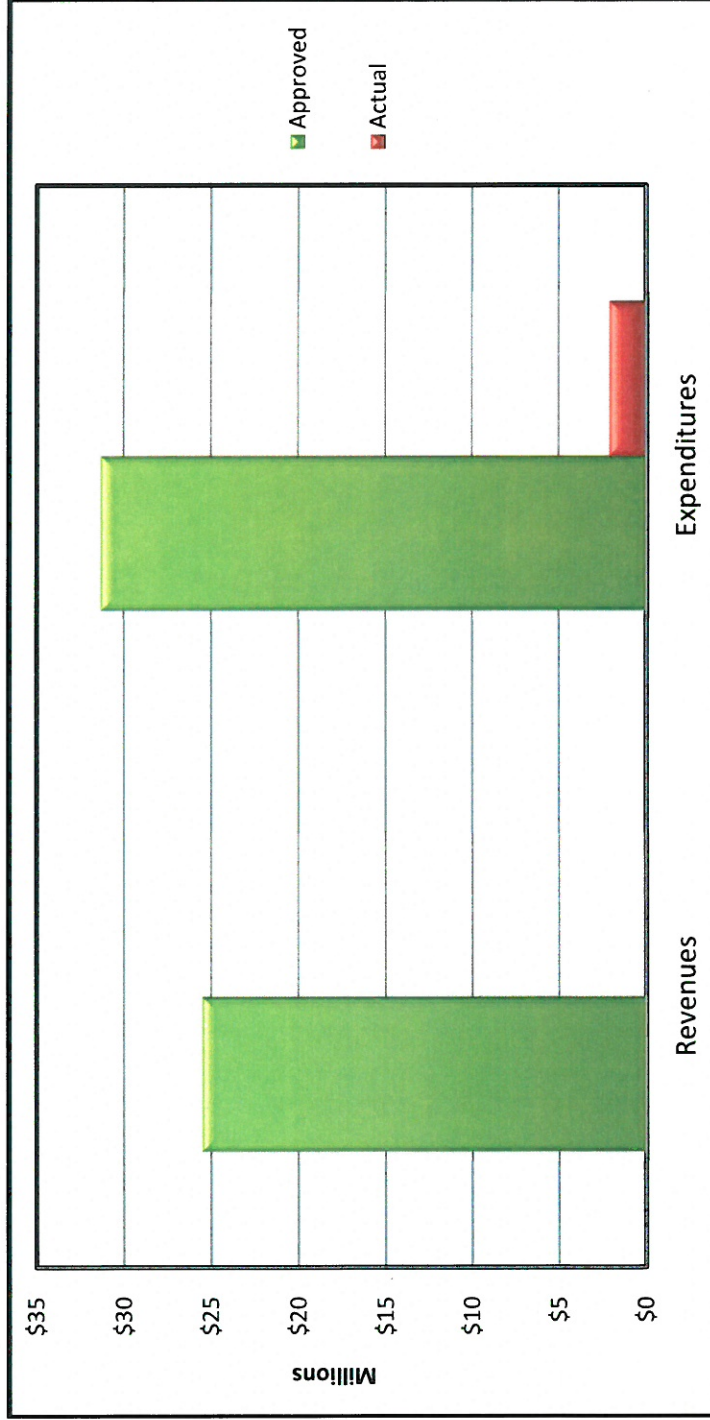
Fund	Unit	Fund Name	APPROVED BUDGET				YEAR-TO-DATE				Estimated Ending Fund Balance	Fund
			Updated: 08.20.2019	Estimated Beginning Fund Balance	Approved Budget Expenditures	Approved Budget Revenue	Estimated Ending Fund Balance	YTD Actual Expenditures	Percent Budget Expended	YTD Actual Revenue		
111	8267	WRA Administration Fund	2,776,367	4,724,656	3,374,883	1,426,594	458,890	9.7%	8,112	0.2%	2,325,589	111
112	8484	Pajaro Levee	704,270	664,044	450,455	490,681	73,364	11.0%	0	0.0%	630,906	112
116	8485	Dam Operations	3,407,433	4,343,961	4,299,103	3,362,575	613,492	14.1%	57,875	1.3%	2,851,815	116
121	8486	Soledad Storm Drain	275,120	161,732	76,377	189,765	21,993	13.6%	0	0.0%	253,127	121
122	8487	Reclamation Ditch	2,079,690	1,593,643	1,481,876	1,967,923	327,001	20.5%	0	0.0%	1,752,689	122
124	8488	San Lorenzo Creek	121,621	110,871	41,665	52,415	11,143	10.1%	0	0.0%	110,478	124
127	8489	Moro Cojo Slough	552,767	307,567	117,936	363,136	23,752	7.7%	0	0.0%	529,016	127
130	8490	Hydro-Electric Operations	2,064,265	794,459	720,120	1,989,926	116,324	14.6%	0	0.0%	1,947,941	130
131	8491	CSIP Operations	3,281,760	6,448,375	4,252,032	1,085,417	367,664	5.7%	0	0.0%	2,914,096	131
132	8492	SVRP Operations	2,324,174	4,290,000	4,434,924	2,469,098	0	0.0%	0	0.0%	2,324,174	132
134	8493	SRDF Operations	4,098,391	1,569,485	1,036,391	3,565,297	60,923	3.9%	0	0.0%	4,037,468	134
303	8267	CSIP Debt Service Fund	770,672	1,759,244	1,759,244	770,672	0	0.0%	0	0.0%	770,672	303
313	8494	Debt Services	(1,136,107)	1,756,438	1,757,938	(1,134,607)	0	0.0%	3	0.0%	(1,136,104)	313
426	8495	Interlake Tunnel Project	76,132	2,788,911	1,717,315	(995,464)	11,680	0.4%	0	0.0%	64,452	426
TOTAL:			21,396,554	31,313,386	25,520,259	15,603,427	2,086,226	6.7%	65,990	0.3%	19,376,318	

**MONTEREY COUNTY
WATER RESOURCES AGENCY
FY 2019-2020 FINANCIAL STATUS REPORT**

For Month Ending: July 31, 2019

Budget Variance Analysis

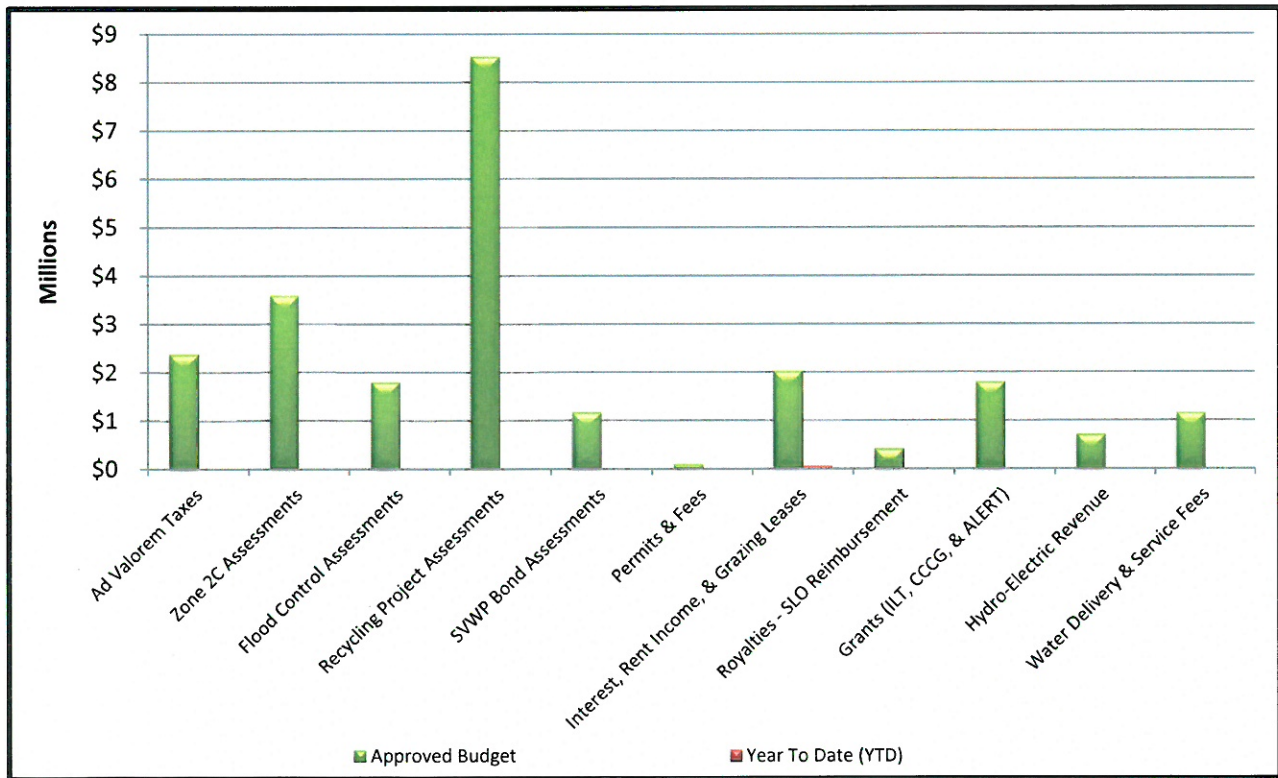
Category	Approved		YTD	
	Budget	Actual	Budget	Actual
Beginning Available Fund Balance	21,396,554	21,396,554		
Revenues	25,520,259	65,990		
Expenditures	31,313,386	2,086,226		
Ending Available Fund Balance	15,603,427	19,376,318		



**MONTEREY COUNTY
WATER RESOURCES AGENCY
FY 2019-2020 FINANCIAL STATUS REPORT**

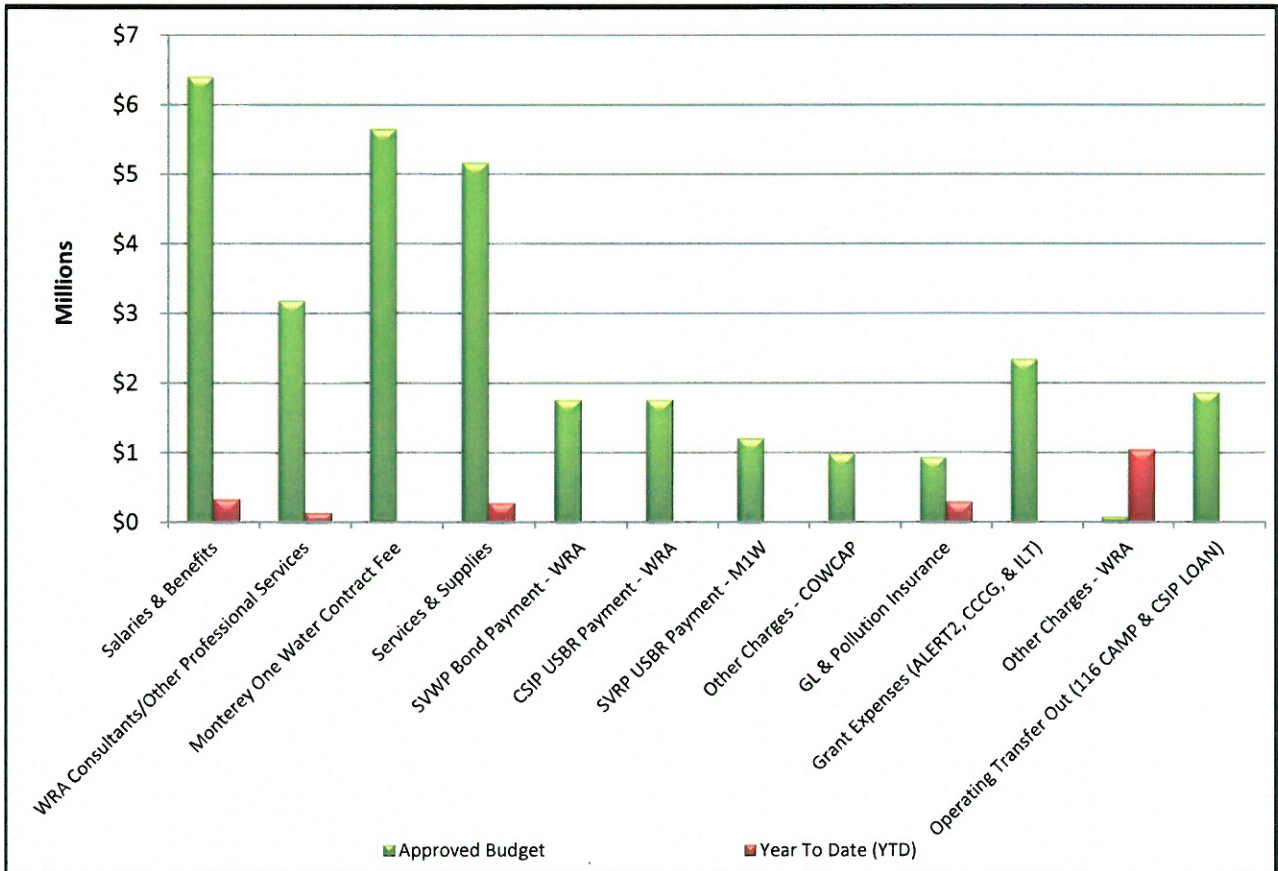
Revenue Variance

Revenue Variance by Source				
	Approved Budget	% of Approved	Year To Date (YTD)	% of YTD vs. Approved
Ad Valorem Taxes	2,380,026	9.33%	-	0.00%
Zone 2C Assessments	3,581,943	14.04%	-	0.00%
Flood Control Assessments	1,802,560	7.06%	-	0.00%
Recycling Project Assessments	8,530,701	33.43%	-	0.00%
SVWP Bond Assessments	1,166,042	4.57%	-	0.00%
Permits & Fees	102,857	0.40%	8,292	8.06%
Interest, Rent Income, & Grazing Leases	2,021,916	7.92%	57,698	2.85%
Royalties - SLO Reimbursement	400,000	1.57%	-	0.00%
Grants (ILT, CCCG, & ALERT)	1,798,715	7.05%	-	0.00%
Hydro-Electric Revenue	714,000	2.80%	-	0.00%
Water Delivery & Service Fees	1,157,255	4.53%	-	0.00%
Inter-Fund Transfers	1,864,244	7.30%	-	0.00%
TOTAL:	25,520,259	100.00%	65,990	0.26%



**MONTEREY COUNTY
WATER RESOURCES AGENCY
FY 2019-2020 FINANCIAL STATUS REPORT
Expenditure Variance**

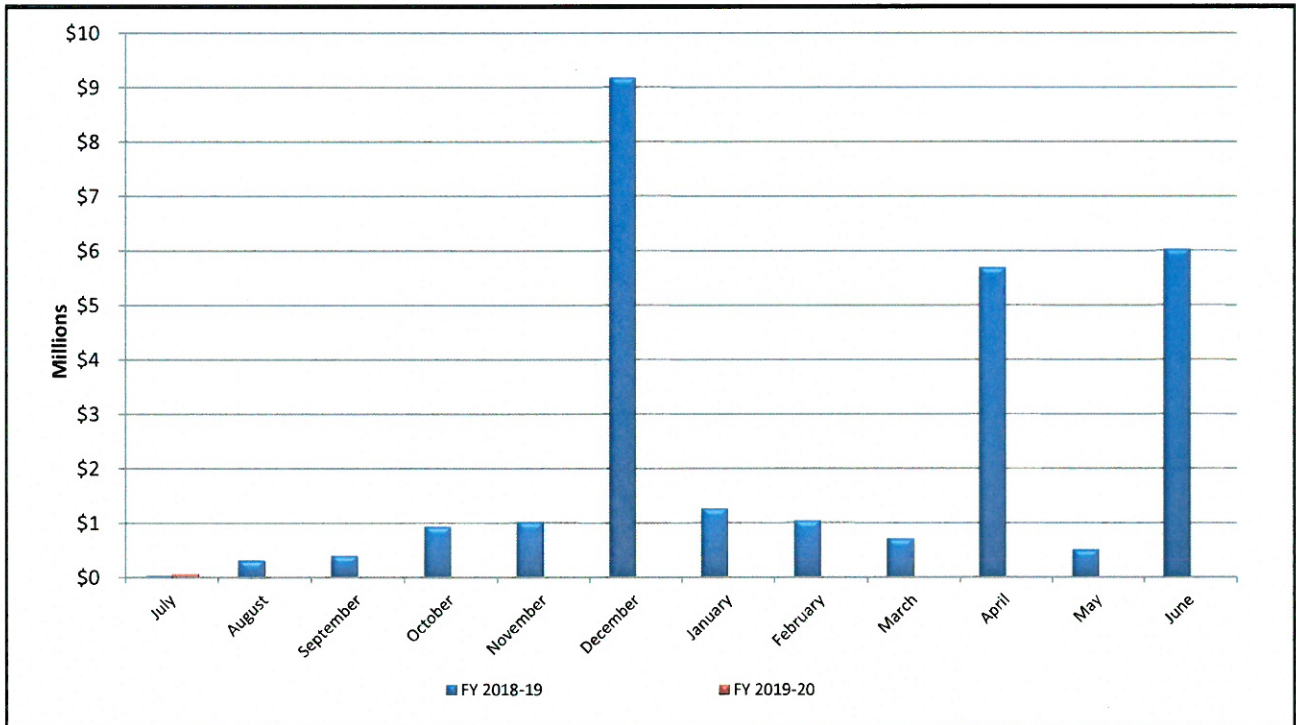
Expenditure Variance by Type				
	Approved Budget	% of Approved	Year To Date (YTD)	% of YTD vs. Approved
Salaries & Benefits	6,398,699	20.43%	334,191	5.22%
WRA Consultants/Other Professional Services	3,186,929	10.18%	139,633	4.38%
Monterey One Water Contract Fee	5,647,602	18.04%	-	0.00%
Services & Supplies	5,166,816	16.50%	277,559	5.37%
SVWP Bond Payment - WRA	1,756,438	5.61%	-	0.00%
CSIP USBR Payment - WRA	1,759,244	5.62%	-	0.00%
SVRP USBR Payment - M1W	1,200,000	3.83%	-	0.00%
Other Charges - COWCAP	985,433	3.15%	-	0.00%
GL & Pollution Insurance	925,266	2.95%	291,302	31.48%
Grant Expenses (ALERT2, CCCG, & ILT)	2,339,518	7.47%	-	0.00%
Other Charges - WRA	83,197	0.27%	1,043,541	1254.30%
Operating Transfer Out (116 CAMP & CSIP LOAN)	1,864,244	5.95%	-	0.00%
TOTAL:	31,313,386	100.00%	2,086,226	6.66%



**Monterey County
Water Resources Agency
FY 2019-2020 FINANCIAL STATUS REPORT**

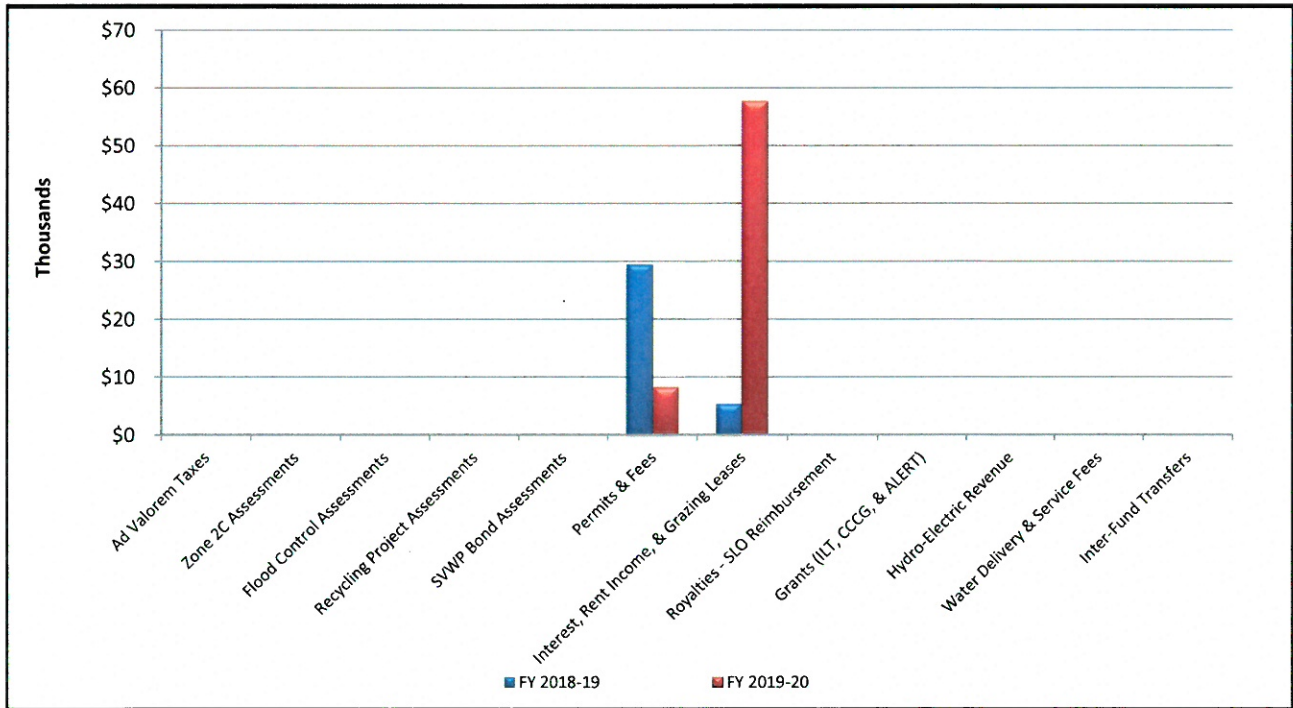
YTD Actual Revenues

Month By Month Revenues				
	FY 2018-19	% Received	FY 2019-20	% Received
July	34,781	0.1%	65,990	0.3%
August	317,623	1.2%	-	
September	400,603	2.6%	-	
October	927,998	5.7%	-	
November	1,018,736	9.2%	-	
December	9,175,996	40.5%	-	
January	1,260,688	44.7%	-	
February	1,039,115	48.3%	-	
March	703,156	50.7%	-	
April	5,688,723	70.1%	-	
May	501,087	71.8%	-	
June	6,022,871	92.3%	-	
YEAR TO DATE ACTUAL:	27,091,375	92.3%	65,990	0.3%
ADOPTED BUDGET:	29,356,952		25,520,259	



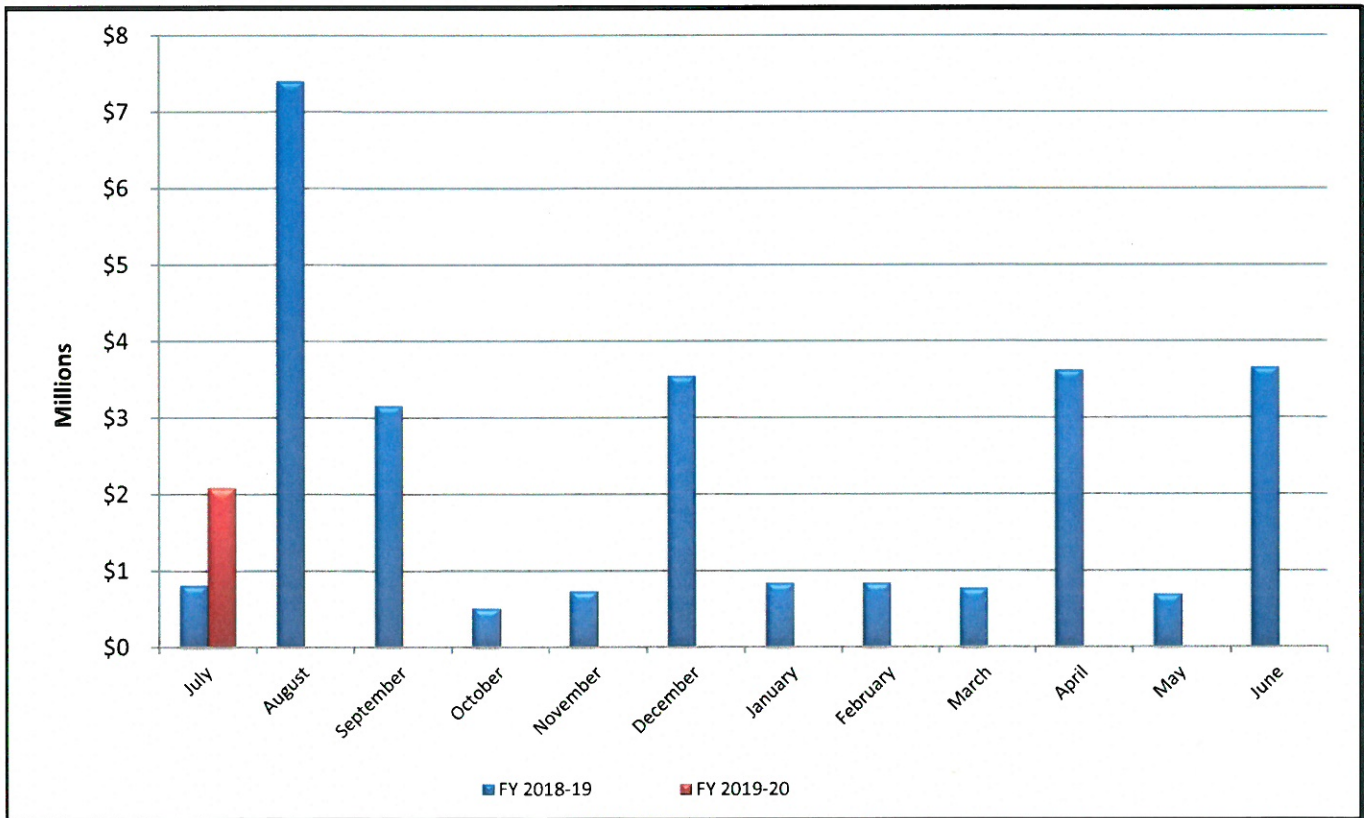
**Monterey County
Water Resources Agency
FY 2019-2020 FINANCIAL STATUS REPORT
YTD Revenues by Source**

JULY 2019 (with previous FY as comparison)		
	FY 2018-19	FY 2019-20
Ad Valorem Taxes	-	-
Zone 2C Assessments	-	-
Flood Control Assessments	-	-
Recycling Project Assessments	-	-
SVWP Bond Assessments	-	-
Permits & Fees	29,429	8,292
Interest, Rent Income, & Grazing Leases	5,352	57,698
Royalties - SLO Reimbursement	-	-
Grants (ILT, CCCG, & ALERT)	-	-
Hydro-Electric Revenue	-	-
Water Delivery & Service Fees	-	-
Inter-Fund Transfers	-	-
YEAR TO DATE TOTAL:	34,781	65,990



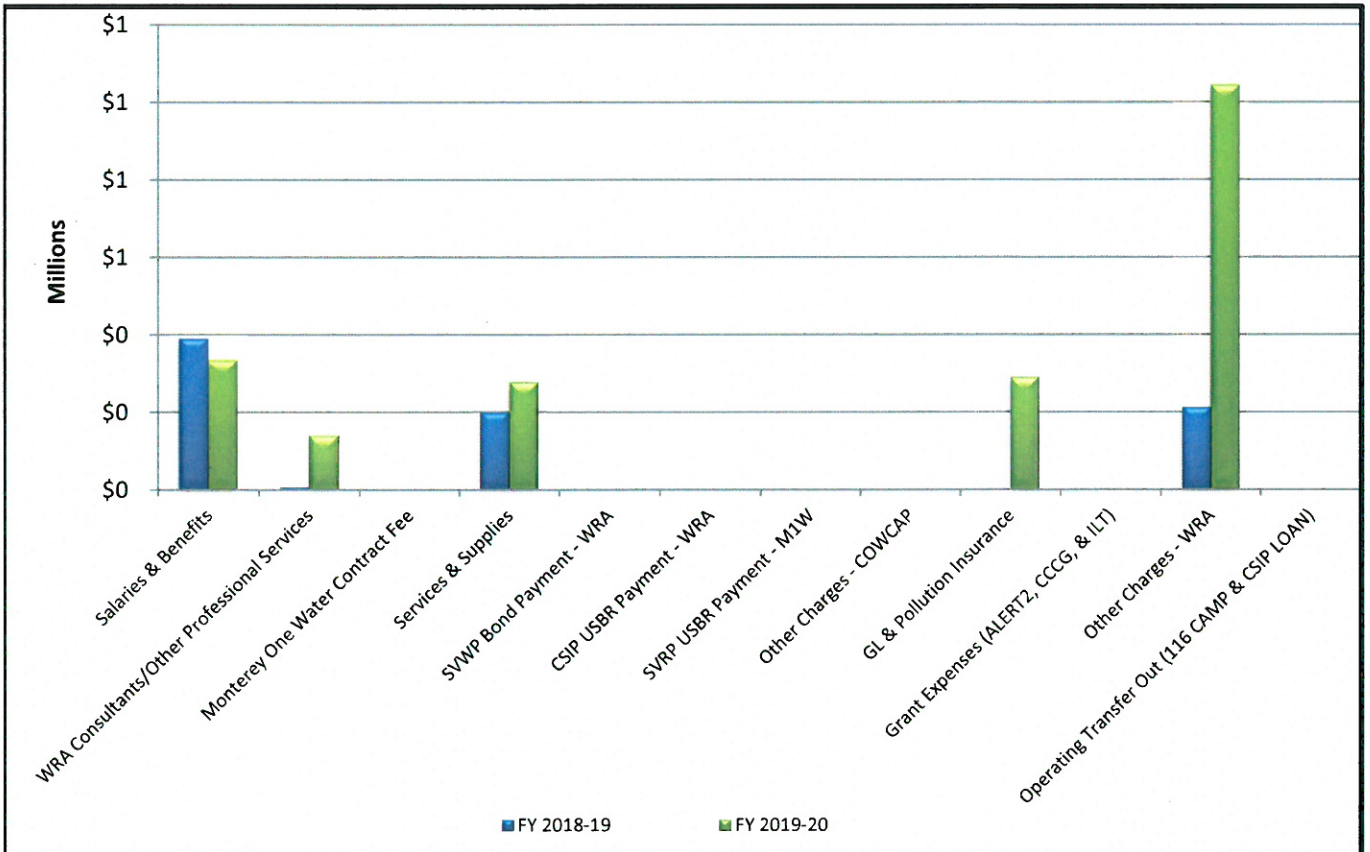
Monterey County
Water Resources Agency
FY 2019-2020 FINANCIAL STATUS REPORT
YTD Actual Expenditures

Month By Month Expenditures				
	FY 2018-19	% Expended	FY 2019-20	% Expended
July	810,106	2.5%	2,086,226	6.7%
August	7,399,008	25.7%	-	
September	3,161,059	35.7%	-	
October	511,715	37.3%	-	
November	731,186	39.5%	-	
December	3,547,509	50.7%	-	
January	839,751	53.3%	-	
February	841,077	55.9%	-	
March	770,565	58.4%	-	
April	3,621,618	69.7%	-	
May	687,820	71.9%	-	
June	3,655,465	83.3%	-	
YEAR TO DATE ACTUAL:	26,576,878	83.3%	2,086,226	6.7%
ADOPTED BUDGET:	31,893,291		31,313,386	



Monterey County
Water Resources Agency
FY 2019-2020 FINANCIAL STATUS REPORT
YTD Expenditures by Type

JULY 2019 (with previous FY as comparison)		
	FY 2018-19	FY 2019-20
Salaries & Benefits	389,886	334,191
WRA Consultants/Other Professional Services	7,000	139,633
Monterey One Water Contract Fee	-	-
Services & Supplies	199,704	277,559
SVWP Bond Payment - WRA	-	-
CSIP USBR Payment - WRA	-	-
SVRP USBR Payment - M1W	-	-
Other Charges - COWCAP	-	-
GL & Pollution Insurance	-	291,302
Grant Expenses (ALERT2, CCCG, & ILT)	-	-
Other Charges - WRA	213,516	1,043,541
Operating Transfer Out (116 CAMP & CSIP LOAN)	-	-
YEAR TO DATE TOTAL:	810,106	2,086,226



Receive the Monterey County Water Resources Agency (Agency) FY 2018-19 Fourth Quarter Financial Status Report through June 30, 2019.

RECOMMENDATION:

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

Receive the Monterey County Water Resources Agency (Agency) FY 2018-19 Fourth Quarter Financial Status Report through June 30, 2019.

SUMMARY/DISCUSSION:

The Agency successfully completed the process of reorganizing its Fund structure collapsing a total of 19 Funds and transferring \$6.4 million in remaining Fund Balance out of these collapsed Funds into other Agency Funds, as prescribed by the external accountant and approved by the Board of Directors and Board of Supervisors of the Agency. As a result, the Agency is left with a total of 14 Funds for FY 2019-20. Total consolidated FY 2018-19 revenue received by the Agency totaled \$32.9M, exceeding budgeted revenues of \$29.4 million by a combined \$3.5 million. The excess revenue was, in its majority, the result of \$6.4 million transfer of Fund Balance out of the 19 collapsed Funds into other Agency Funds. These transfers accounted for \$6.4 million of the received revenue. The remaining \$26.5 million represent 90.2% of the budgeted revenues, with a 9.8% shortfall, as compared to the budget, which is mainly due to lower than expected grant reimbursements associated with the Inter-Lake Tunnel. The Agency successfully amended the agreement with Department of Water Resources to extend this agreement date from June 30, 2019 to January 31, 2021.

The Agency began FY 2018-19 with a recommended budget of \$26 million in expenditures, this number was increased to \$39.1 million through six budget amendments. Actual expenditures came \$8.5 million under budget to a consolidated actual total of \$30.6 million. The lower than budgeted expenditures was a result of vacant positions, accounting for \$1.7 million, Inter-Lake Tunnel expenditures accounting for \$1.6 million, a previously budgeted collapsing of Funds 303 and 313 which did not occur after consulting with the County’s Auditor Controller’s Office, accounting for \$1.9 million, and delay in completing certain projects such as the repairs to the Pajaro Levee repairs, Moro Cojo tide gate repairs, and other projects.

Overall, the Agency is estimating to end the year with total expenditures of \$30.6 million and total revenue of \$32.9 and a combined Fund Balance of \$20.7 million.

On a consolidated basis, the Agency financial performance up to June 30, 2019 is projected as follows:

	<u>Year End Estimate</u>
FY 2018-19 Est. Beg. Fund Balance	\$18,465,414
FY 2018-19 Revenues	32,925,860
<u>FY 2018-19 Available Funds</u>	<u>51,391,274</u>
<u>FY 2018-19 Expenditures</u>	<u>(30,619,234)</u>
FY 2018-19 Est. End. Fund Balance	\$20,772,040

OTHER AGENCY/COMMITTEE INVOLVEMENT:

This item was presented to the Monterey County Water Resources Agency Finance Committee on September 6, 2019.

FINANCING:

There is no financial impact for receiving this report.

Prepared by: Fabricio Chombo, Finance Manager II, (831) 755-4860

Approved by: Brent Buche, General Manager (831-766-4860)

Attachments:

FY 2018-19 Financial Summary

**MONTEREY COUNTY
WATER RESOURCES AGENCY
FY 2018-2019 FINANCIAL STATUS REPORT**

Period 14

For Month Ending: June 30, 2019

% Monthly Time Elapsed: 100.00%

Updated 09.03.2019				ADOPTED BUDGET				YEAR-TO-DATE				Estimated Ending Fund Balance	Fund
Fund	Unit	Zone	Fund Name	Actual Beginning Fund Balance	Adopted Budget Expenditures	Adopted Budget Revenue	Estimated Ending Fund Balance	YTD Actual Expenditures	Percent Budget Expended	YTD Actual Revenue	Percent Budget Received	Estimated Ending Fund Balance	Fund
111	8267	ADMN	WRA Administration Fund	9,371	5,405,068	3,268,555	(2,127,142)	4,431,309	82.0%	7,576,405	231.8%	3,154,467	111
112	8484	1	Pajaro Levee	426,576	646,787	437,590	217,379	401,967	62.1%	519,469	118.7%	544,079	112
113	8267	CW	County-Wide Services	205,442	207,648	0	(2,206)	205,641	99.0%	199	0.0%	0	113
114	8267	2	Naci Non-O&M	405,441	405,441	0	0	405,441	100.0%	0	0.0%	0	114
115	8267	2A	SA Non-O&M	462,711	462,741	0	(30)	462,741	100.0%	30	0.0%	(0)	115
116	8485	2C	Dam Operations	1,504,308	5,141,491	4,887,615	1,250,432	3,795,474	73.8%	4,784,425	97.9%	2,493,260	116
117	8267	3	Lwr Salinas Rvr	142,221	142,221	0	0	142,221	100.0%	0	0.0%	0	117
118	8267	5	Merritt Lake	63,082	63,082	0	0	63,082	100.0%	0	0.0%	0	118
119	8267	6	CSIP Trns & Wtr Cons	500,203	500,203	0	0	500,203	100.0%	0	0.0%	0	119
120	8267	7	No. County	38,465	38,465	0	0	38,465	100.0%	0	0.0%	0	120
121	8486	8	Soledad Storm Drain	177,287	73,345	74,312	178,254	39,388	53.7%	88,778	119.5%	226,677	121
122	8487	9	Reclamation Ditch	918,575	1,523,847	1,438,432	833,160	1,115,550	73.2%	1,569,192	109.1%	1,372,217	122
123	8267	11	Monterey/Carmel Vly	177,841	177,841	0	0	177,841	100.0%	0	0.0%	0	123
124	8488	12	San Lorenzo Creek	89,793	36,299	40,237	93,731	27,080	74.6%	42,936	106.7%	105,649	124
125	8267	14	Arroyo Seco	2,363	2,363	0	0	2,363	100.0%	0	0.0%	0	125
126	8267	15	Carnation Subdivision	84,950	84,950	0	0	84,950	100.0%	0	0.0%	0	126
127	8489	17	Moro Cojo Slough	460,168	367,000	115,642	208,810	55,566	15.1%	89,853	77.7%	494,455	127
128	8267	2	Storm Drain	200,705	200,705	0	0	200,705	100.0%	0	0.0%	0	128
129	8267	GS	Gonzales Slough	8,125	8,125	0	0	8,125	100.0%	0	0.0%	0	129
130	8490	HY	Hydro-Electric Operations	1,252,172	684,580	595,000	1,162,592	490,038	71.6%	650,724	109.4%	1,412,858	130
131	8491	2Y	CSIP Operations	2,906,670	5,223,620	4,649,341	2,332,391	4,004,534	76.7%	4,274,784	91.9%	3,176,921	131
132	8492	2Z	SVRP Operations	823,143	4,200,300	4,351,984	974,827	3,386,146	80.6%	4,192,842	96.3%	1,629,839	132
133	8267		SVWP Revenue	3,929,502	3,929,502	0	0	3,929,502	100.0%	(0)	0.0%	(0)	133
134	8493	SRDF	SRDF Operations	4,102,312	1,516,780	1,016,070	3,601,602	1,009,770	66.6%	849,849	83.6%	3,942,392	134
301	8267		Water Resources - Zone #2	73,165	73,165	0	0	73,165	100.0%	0	0.0%	0	301
302	8267		Water Resources - Zone #2A	129,942	129,942	0	0	129,942	100.0%	0	0.0%	0	302
303	8267		CSIP Debt Service Fund	770,672	2,467,316	1,695,160	(1,484)	1,691,490	68.6%	1,691,490	99.8%	770,672	303
311	8267		Hidden Hills Area Assmnt Dist	84	84	0	0	84	100.0%	0	0.0%	0	311
313	8494		Debt Services	(621,834)	1,741,657	1,723,220	(640,271)	1,741,657	100.0%	2,743,747	159.2%	380,256	313
315	8267		Blacker Road Assessment Dist.	19	19	0	0	19	100.0%	0	0.0%	0	315
424	8267		Salinas Valley Water Project	44	44	0	0	44	100.0%	0	0.0%	0	424
425	8267		MBRWP Construction	14,293	14,293	0	0	14,293	100.0%	0	0.0%	0	425
426	8495		Interlake Tunnel Project	(792,397)	3,655,794	5,063,794	615,603	1,990,437	54.4%	3,851,134	76.1%	1,068,300	426
TOTAL				18,465,414	39,124,719	29,356,952	8,697,647	30,619,234	78.3%	32,925,860	112.2%	\$ 20,772,040	

RECOMMENDATION:

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

Support approval an agreement with Elecsys Corporation for the purchase of cathodic protection monitoring equipment (Remote Monitoring Units), and monthly subscription fees for communication and web services associated with the Castroville Seawater Intrusion Project (CSIP), in an amount not to exceed \$99,510 with an agreement term from September 2019 through December 2022; and, authorize the General Manager to execute the agreement.

SUMMARY/DISCUSSION:

In 2016, JDH Corrosion Consultants, Inc. (JDH), completed a survey and report on the condition of CSIP’s cathodic protection monitoring system. . The cathodic protection system uses an impressed current to provide corrosion protection for 36 miles of buried pipe in the CSIP distribution pipeline. The 2016 report by JDH identified \$850,000 in repairs to the CSIP cathodic protection system to return the system to as-built condition and capacity. In May of 2019 the Agency awarded JDH a contract to provide annual cathodic protection system assessment, engineered plans and specifications of previously identified repairs, and system optimization.

One recommendation from JDH is the installation of Remote Monitoring Units (RMU) at each cathodic system rectifier. Forty-five rectifiers were installed on the system in 1998, 40 rectifiers are currently operational. Rectifiers convert alternating current (AC) to direct current (DC) that is impressed onto the CSIP distribution pipeline. Voltage and current readings taken at each rectifier, on a bi-monthly basis, provide an indication of the level of cathodic protection the distribution pipeline is receiving, and to the condition of the sacrificial anodes also used in the CSIP cathodic protection system.

Installation of the recommended RMU’s provides for automated monitoring of the CSIP cathodic protection and provide maintenance staff with “real time” system data. CSIP maintenance staff will be alerted to rectifier failures due to electrical service issues or damage from farming equipment. Automation of rectifier monitoring will eliminate 60 hours of staff time annually required to collect and manage data, freeing up field staff for other maintenance activities.

The RMU’s manufactured by Elecsys Corporation are highly recommended, and are currently used on large water distribution, natural gas supply, and oil refinery pipelines in the S.F. Bay Area. Other RMU distributors and services providers were researched but their RMU’s did not meet project requirements.

The costs to purchase the RMUs and fees for communication and web services are as follows:

Quantity	Item Description	Unit Price	Amount
40	RMU Units with External Antennas	\$2,188 ea.	\$87,510.00
Year 1	Communication/Web Fees	\$8/unit/mo.	\$ 3,840.00
Year 2	Communication/Web Fees	\$8/unit/mo.	\$ 3,840.00
Year 3*	Communication/Web Fees	\$9/unit/mo. (max)*	\$ 4,320.00
	Total		\$99,510.00

***Communication and web service subscription fees are limited to a 13% maximum in last year of this contract.**

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

Funds for this agreement are budgeted in Fund 131 - CSIP Operations and Maintenance.

Prepared by: Manuel Saavedra, Water Resources Engineer, (831) 755-4860

Attachments:

1. Elecsys Corporation Agreement for Services

**MONTEREY COUNTY WATER RESOURCES AGENCY
AND ELECSYS CORPORATION**

AGREEMENT FOR SERVICES

This is an agreement ("Agreement") between the Monterey County Water Resources Agency, hereinafter called "Agency," and Elecsys, a Corporation hereinafter called "CONTRACTOR".

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

1. Employment of CONTRACTOR. Agency hereby engages CONTRACTOR and CONTRACTOR hereby agrees to perform the services set forth in Exhibit A, in conformity with the terms of this Agreement. CONTRACTOR will complete all work in accordance with the **Scope of Work/Work Schedule set forth in Exhibit A:**
 - (a) The scope of work is briefly described and outlined as follows:
 - i) **CONTRACTOR will provide up to forty (40) Remote Monitoring Units, Part no. SCT-14-N3-20, and external antennas kits, Part no. 48-0003-18.**
 - ii) **CONTRACTOR will provide communication and web services for a period of three (3) years.**
 - (b) The CONTRACTOR shall perform its services under this agreement in accordance with usual and customary care and with generally accepted practices in effect at the time the services are rendered. The CONTRACTOR and its agents and employees performing work hereunder are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required by this Agreement.
 - (c) CONTRACTOR, its agents and employees shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
 - (d) CONTRACTOR shall furnish, at its own expense, all materials and equipment necessary to carry out the terms of this Agreement, except as otherwise provided herein. CONTRACTOR shall not use Agency premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations hereunder.
2. Term of Agreement. The term of this Agreement shall begin on September 2019 by CONTRACTOR and Agency, and will terminate on December 2022, unless earlier terminated as provided herein.
3. Payments to CONTRACTOR; maximum liability. Subject to the limitations set forth herein,

Agency shall pay CONTRACTOR in accordance with the fee schedule set forth in Exhibit B. The maximum amount payable to CONTRACTOR under this contract is Ninety-nine thousand five hundred and ten dollars,

(\$ 99,510.00).

4. Monthly Invoices by CONTRACTOR; Payment.

- (a) CONTRACTOR shall submit to Agency an invoice, in a format approved by Agency, setting forth the amounts claimed by CONTRACTOR, together with an itemized basis for such amounts, and setting forth such other pertinent information Agency may require. CONTRACTOR shall submit such invoice monthly or as agreed by Agency, but in no event shall such invoice be submitted later than 30 days after completion of CONTRACTOR's work hereunder. Agency shall certify the claim if it complies with this contract and shall promptly submit such claim to the Monterey County Auditor-Controller, who shall pay the certified amount within 30 days after receiving the invoice certified by Agency. It is understood and agreed that CONTRACTOR shall complete all work described in Exhibit A for an amount not exceeding that set forth above, notwithstanding CONTRACTOR's submission of periodic invoices.
- (b) CONTRACTOR agrees that Agency may withhold five percent (5%) of the amount requested by CONTRACTOR from any progress payment, until such time as all goods and services are received in a manner and form acceptable to Agency.
- (c) If, as of the date of execution of this Agreement, CONTRACTOR has already received payment from Agency for work which is the subject of this Agreement, such amounts shall be deemed to have been paid under this Agreement and shall be counted toward Agency's maximum liability set forth above.
- (d) CONTRACTOR shall not be reimbursed for travel expenses unless expressly approved in writing in accordance with this Agreement.

5. Indemnification. CONTRACTOR shall indemnify, defend, and hold harmless the Agency and the County of Monterey, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence, active negligence, or willful misconduct of the Agency. "CONTRACTOR's performance" includes CONTRACTOR's

action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subCONTRACTORS.

6. Insurance.

6.1 Evidence of Coverage:

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

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

6.2 Qualifying Insurers:

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

6.3 Insurance Coverage Requirements:

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

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

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

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

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

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section

3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

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

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

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

6.4 Other Insurance Requirements.

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

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

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

endorsement form for Automobile Additional Insured endorsement is **ISO Form CA 20 48 02 99**.

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

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

7. Maintenance of Records. CONTRACTOR shall prepare, maintain and preserve all reports and records that may be required by federal, State, and local rules and regulations relating to services performed under this Agreement. CONTRACTOR shall retain all such records for at least five years from the date of final payment, or until any litigation relating to this Agreement is concluded, whichever is later.
8. Right to Audit at Any Time. Agency officials shall have the right, at any time during regular working hours and on reasonable advance notice, to examine, monitor and audit all work performed and all records, documents, conditions, activities and procedures of CONTRACTOR or its subCONTRACTORS relating to this Agreement. Government Code Section 8546.7 provides that an audit by the State Auditor General may be performed up to three years after the final payment under any contract involving the expenditure of public funds in excess of \$10,000.
9. Confidentiality; Return of Records. CONTRACTOR and its officers, employees, agents, and subCONTRACTORS shall comply with all federal, State and local laws providing for the confidentiality of records and other information. To the extent permitted by applicable law and regulations, CONTRACTOR shall maintain confidentiality with respect to Agency's well database and other water use data.

CONTRACTOR shall not disclose any confidential information received from Agency or prepared in connection with the performance of this Agreement without the express permission of Agency. CONTRACTOR shall promptly transmit to Agency all requests for disclosure of any such confidential information. CONTRACTOR shall not use any confidential information gained through the performance of this Agreement except for the

purpose of carrying out CONTRACTOR's obligations hereunder. When this Agreement expires or terminates, CONTRACTOR shall return to Agency all records, which CONTRACTOR utilized or received, from Agency to perform services under this Agreement.

10. Termination. Either party may terminate this Agreement by giving written notice of termination to the other party at least thirty (30) days prior to the effective date of termination, which date shall be specified in any such notice. In the event of such termination, the amount payable hereunder shall be reduced in proportion to the services provided prior to the effective date of termination. Agency may terminate this Agreement at any time for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes, without limitation, the failure of CONTRACTOR to perform the required services at the time and in the manner provided herein. If Agency terminates this Agreement for good cause, Agency may be relieved of the payment of any consideration to CONTRACTOR, and Agency may proceed with the work in any manner, which it deems proper. Costs incurred by Agency thereby shall be deducted from any sum due CONTRACTOR.
11. Amendments and Modifications. No modification or amendment of this agreement shall be valid unless it is set forth in writing and executed by the parties.
12. Non-Discrimination. Throughout the performance of this Agreement, CONTRACTOR will not unlawfully discriminate against any person because of race, color, religion, gender, national origin, ancestry, physical disability, medical condition, marital status, age older than 40, or sexual orientation, gender identity or any other status protected under federal, state or local law, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR shall comply fully with all federal, State and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to any target population designated herein shall not be deemed prohibited discrimination.
13. Independent Contractor. In its performance under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not an employee of Agency. No offer or obligation of employment with Agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from Agency any form of benefits accorded to employees including without limitation leave time, health insurance, workers compensation coverage, disability benefits, and retirement contributions. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including without limitation federal and State income taxes and social security arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold harmless Agency from any and all liability, which Agency may incur because of CONTRACTOR's failure to make such payments.
14. Delegation of Duties; Subcontracting. CONTRACTOR is engaged by Agency for its unique

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

15. Agency's Rights in Work Product. All original materials prepared by CONTRACTOR in connection with its work hereunder -- including but not limited to computer codes, customized computer routines developed using proprietary or commercial software packages, reports, documents, maps, graphs, charts, photographs and photographic negatives -- shall be the property of Agency and shall be delivered to Agency prior to final payment. CONTRACTOR may utilize any existing materials developed by CONTRACTOR prior to commencement of work under this Agreement, which materials shall remain the property of CONTRACTOR.
16. Compliance with Terms of Federal or State Grant. If any part of this Agreement has been or will be funded pursuant to a grant from the federal or State government in which Agency is the grantee, CONTRACTOR shall comply with all provisions of such grant applicable to CONTRACTOR's work hereunder, and said provisions shall be deemed a part of this Agreement as though fully set forth herein.
17. Conflict of Interest. CONTRACTOR warrants that it presently has no interest and shall not acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with its full and complete performance of all services under this Agreement.
18. Governing Laws. This Agreement is entered into in the County of Monterey, State of California, and shall be construed and enforced in accordance with the laws of the State of California. The parties hereby agree that the County of Monterey shall be the proper venue for any dispute arising hereunder.
19. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
20. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any exhibit or amendment. To that end, it is understood and agreed that this Agreement has been arrived at through negotiation, and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654. Section and paragraph headings appearing herein are for convenience only and shall not be used to interpret the terms of this Agreement.

21. Waiver. Any waiver of any term or condition hereof must be in writing. No such waiver shall be construed as a waiver of any other term or condition herein.
22. Successors and Assigns. This Agreement and all rights, privileges, duties and obligations hereunder, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and heirs.
23. Contractor. The term “CONTRACTOR” as used in this Agreement includes CONTRACTOR’s officers, agents, and employees acting on Contractor’s behalf in the performance of this Agreement.
24. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.
25. Time is of the Essence. The parties mutually acknowledge and agree that time is of the essence with respect to every provision hereof in which time is an element. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligation or act, nor shall any such extension create a precedent for any further or future extension.
26. Contract Administrators.

CONTRACTOR's designated principal responsible for administering
 CONTRACTOR's work under this Agreement shall be
Corey Hauser

Agency’s designated administrator of this Agreement shall be
Manuel Saavedra

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

TO AGENCY	TO CONTRACTOR
Name: Manuel Saavedra	Name: Corey Hauser
Address: 1441 Schilling Place, North Building Salinas, CA 93901	Address: 846 N. Mart-Way Court Olathe, KS 66061
Telephone: 831-755-4860	Telephone: 913-647-0158
Fax:	Fax:
E-Mail: saavedram@co.monterey.ca.us	E-Mail: corey.hauser@elecsyscorp.com

28. Electronic Deliverables. Where feasible, all reports, documents and other printed information provided to the Agency pursuant to this Agreement shall be submitted in both written and Electronic formats in accordance with the specifications listed in Exhibit C.
29. Non-exclusive Agreement. This Agreement is non-exclusive and both parties reserve the right to contract with other entities for the same or similar services.
30. Execution of Agreement. Any individual executing this Agreement on behalf of an entity represents and warrants that he or she has the requisite authority to enter into this Agreement on behalf of such entity and to bind the entity to the terms and conditions hereof. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.
31. Exhibits. The following Exhibits are attached hereto and incorporated by reference:
 - Exhibit A - Scope of Work
 - Exhibit B - Payment Provisions
 - Exhibit C - Professional Liability Insurance Exemption
32. Entire Agreement --As of the effective date of this Agreement, this document, including all exhibits hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral negotiations and representations between the parties concerning all matters relating to the subject of this Agreement.

**MONTEREY COUNTY WATER RESOURCES AGENCY
AND ELECSYS CORPORATION**

AGREEMENT FOR SERVICES

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

**MONTEREY COUNTY WATER
RESOURCES AGENCY:**

CONTRACTOR:

By:

By:

Brent Buche
General Manager

Type Name: _____

Title: _____

Date:

Date: _____

By:

Type Name: _____

Title: _____

Date: _____

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

(Elecsys Corp. Services Agreement for CSIP Cathodic Protection System)

Agreement /Amendment No # (19-007)

Approved as to form ¹:

Approved as to fiscal provisions:

Deputy County Counsel

Administrative Analyst

Dated: _____

Dated: _____

County Counsel – Risk Manager:

Auditor-Controller ²:

Dated: _____

Dated: _____

¹ Approval by County Council is required, and/or when legal services are rendered

² Approval by Auditor-Controller is required

EXHIBIT A
SCOPE OF WORK

INTRODUCTION:

This AGREEMENT is to purchase Remote Monitoring Units with external antenna kits, and to provide monthly communication and web services for the cathodic protection system associated with the Castroville Seawater Intrusion Project. -

SCOPE OF WORK:

Elecsys Corporation (CONTRACTOR) shall provide the following:

- Will supply and deliver to the Agency forty (40) Remote Monitoring Units, Part No. SCT-14-N3-20.
- Will supply and deliver to the Agency forty (40) External Antenna Kits, Part No. 48-0003-18.
- Will provide monthly communication and web services related to the operation of the Remote Monitoring Units for a period of three (3) years.

EXHIBIT B

PAYMENT PROVISIONS

CONTRACTOR shall be compensated under this AGREEMENT an amount **not to exceed \$99,510.00** for the goods and services currently identified as set forth in the Scope of Work set forth in Exhibit A. Payment includes all costs, fees, taxes, and incidentals as set forth below. CONTRACTOR shall invoice AGENCY upon satisfactory delivery and completion of all items identified in the Scope of Work.

<u>Quantity</u>	<u>Item Description</u>	<u>Unit Price</u>	<u>Amount</u>
40	RMU Units with External Antennas	\$2,188 ea.	\$87,510.00
Year 1	Communication/Web Fees	\$8/unit/mo.	\$ 3,840.00
Year 2	Communication/Web Fees	\$8/unit/mo.	\$ 3,840.00
Year 3*	Communication/Web Fees	\$9/unit/mo. (max)	\$ 4,320.00 (with a tentative 13% increase)
		Total	\$99,510.00

*CONTRACTOR has guaranteed the monthly communication/web fees to \$8/unit per month for the first two years, and guaranteed if any fee increase was to occur in the third year, the monthly communication/web fee shall not exceed a cost of \$9/unit.

EXHIBIT C

PROFESSIONAL LIABILITY INSURANCE EXEMPTION

Elecsys Corporation is exempt from Professional Liability Insurance for work described in Exhibit A because the services being provided are the sale of electronic equipment and communication and web services and do not require Elecsys Corporation to perform engineering, design, surveying or compliance regulated design standards for installation or operation.