



Monterey County

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Board Report

Legistar File Number: 16-435

April 12, 2016

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Current Status: Scheduled AM

Matter Type: General Agenda Item

Consider approving the First Amendment to the Third Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency relating to preliminary expenditures for the Interlake Tunnel Project. (ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Board of Supervisors consider approving the First Amendment to the Third Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency relating to preliminary expenditure for the Interlake Tunnel Project.

SUMMARY/DISCUSSION:

In December of 2014 the Board of Supervisors of the Agency authorized staff to proceed with work on the proposed Interlake Tunnel Project ("Project"). Due to a lack of available funds at the Agency for certain preparatory work, the County and the Agency entered into a series of Reimbursement and Funding Agreements whereby the County would reimburse the Agency for certain preparatory expenses on the condition that the County would be repaid for such reimbursements if the Project proceeded and financing was obtained. Most recently the County and the Agency entered into the Third Reimbursement and Funding Agreement, which brought the total amount eligible for reimbursement to \$2,071,000 through June 30, 2016. The expenses eligible for reimbursement were limited to preliminary engineering and design, spillway modification feasibility, technical support, environmental consulting, and program management.

Subsequently, the Agency Board of Supervisors directed that a project labor agreement ("PLA") be negotiated for the Project. Those negotiations necessitated the retention of a lawyer experienced in PLAs. The Agency is requesting that such services be included in those eligible for reimbursement, and the First Amendment to the Third Reimbursement and Funding Agreement so provides. This action, however, does not add any additional funding for reimbursement purposes, and the total amount available for reimbursement remains \$2,071,000.

OTHER AGENCY INVOLVEMENT:

The Agency Board of Directors has recommended to the Agency Board of Supervisors that the First Amendment be executed. A companion item will be on the Agency Board of Supervisors Agenda for April 12, 2016.

Pursuant to Board direction, funding alternatives were discussed with Agency staff and the CAO-Budget and Analysis Division, including a process to seek Board consideration for funding during the FY 2016-17 Budget Hearings.

Due to late submission of the report, the CAO Budget and Analysis Division was not provided adequate time to review for potential fiscal, organizational, policy or other implications to the County of Monterey.

FINANCING:

There is no fiscal impact to the County with this amendment. The Agency has the flexibility to immediately release Agency funds to pay for the professional services; the County will then reimburse those expenses pursuant to the previously agreed to Funding and Reimbursement Agreements.

Prepared by: Leslie J. Girard, Chief Assistant County Counsel

Approved by:

Nicholas E. Chiulos
Assistant County Administrative Officer

Attachments: Amendment No. 1 to the Third Reimbursement and Funding Agreement between the County of Monterey and the MCWRA