

AMENDMENT NO. 1
TO
THIRD REIMBURSEMENT AND FUNDING AGREEMENT
BETWEEN THE COUNTY OF MONTEREY
AND
THE MONTEREY COUNTY WATER RESOURCES AGENCY
FOR
PRELIMINARY ENGINEERING AND DESIGN; SPILLWAY MODIFICATION
FEASIBILITY; TECHNICAL SUPPORT; ENVIRONMENTAL CONSULTING;
CONTRACT LEGAL SERVICES; AND PROGRAM MANAGEMENT, RELATING TO
THE INTERLAKE TUNNEL PROJECT

THIS AMENDMENT NO. 1 TO THIRD REIMBURSEMENT AND FUNDING AGREEMENT (“Amendment No. 1, Third Agreement”) between the County of Monterey, a political subdivision of the State of California (hereinafter, “County”) and the Monterey County Water Resources Agency (“Agency”), a public agency created pursuant to the Monterey County Water Resources Agency Act (Cal. Water Code, Appendix Chap. 52.) is hereby entered into (collectively, the County and Agency are referred to as the “Parties”).

1. The County of Monterey entered into a Reimbursement and Funding Agreement with the Agency on July 2, 2014 in an amount not to exceed \$500,000, agreeing to reimburse the necessary funds for such preparatory work on the condition that the County shall be repaid such funds if the Project is financed through an assessment district, grants or other financing mechanism.
2. At a December 9, 2014, Special Joint Meeting, the Board of Supervisors, Board of Supervisors of the Water Resources Agency and the Water Resources Agency Board of Directors authorized the Monterey County Water Resources Agency to proceed with the Interlake Tunnel Project. The direction included work on the Spillway Modification at San Antonio as a key component of the Interlake Tunnel Project. The direction authorized an additional amount not to exceed \$2.5 million to perform geotechnical and final design engineering; permitting and environmental approval; financing plan preparation and implementation; and implementation and program management services, all for the Interlake Tunnel Project.
3. The Spillway Modification Feasibility Study and the technical support to the Agency during design and environmental consulting work were added to Phase 1 of the Preliminary Engineering. The work authorized by the December 9, 2014, direction entailed an increase in the amount for required services from \$500,000 to \$3,000,000.
4. On March 17, 2015, the Board approved the Second Reimbursement and Funding Agreement between the County of Monterey and the Monterey County Water Resources

Agency. The Second Reimbursement and Funding Agreement was executed as of April 9, 2015, and effective as of February 1, 2015. The Second Agreement authorized Preliminary Engineering and Design; Further Water Rights Analysis; Spillway Modification Feasibility; Technical Support to the Monterey County Water Resources Agency during design; Environmental Consulting Services; and Program Management, relating to the Interlake Tunnel Project. The March 17, 2015, action increased the amount reimbursable to the Agency by an additional \$600,000 for FY 2015 to include the additional scope of work.

5. On June 23, 2015 the WRA Board of Supervisors approved the First Amendment to the Second Agreement, amending the Second Agreement to make available in the First Quarter of FY 2015-2016, unexpended funds that were authorized under the Second Reimbursement and Funding Agreement but that were not expended in FY 2014-2015.
6. On April 9, 2015, the Parties executed the Second Amendment to the Second Agreement, amending the Second Agreement to make extend the term of the Second Agreement (as amended) from September 30, 2015 to January 31, 2016.
7. Effective January 1, 2016, the Agency Board of Supervisors approved the Third Reimbursement and Funding Agreement, authorizing additional preliminary work on the Projects, including design, Phase 1 environmental consulting work, continued preparation for a design build procurement, and the technical support to the Agency
8. After execution of the Third Agreement, the Agency Board directed Agency staff and County Counsel to expeditiously negotiate a Project Labor Agreement (PLA). On March 22, 2016, the Agency Board approved an amendment to the professional services agreement with Joan Cox of the law firm of Burke, Williams and Sorenson (BWS) for the purpose of PLA negotiations. The BWS agreement was contingent on the County's appropriation of funds sufficient to reimburse the Agency for up to \$154,000 that was authorized under the BWS agreement.
9. The Parties desire to amend the Third Reimbursement Agreement to allow the use of funds that have already been authorized and appropriated under the Third Agreement to reimburse contract legal services for negotiation of the PLA for the Tunnel Projects.

NOW, THEREFORE, the Parties agree to amend the THIRD REIMBURSEMENT AND FUNDING AGREEMENT as follows:

1. Amend Section 1 "Reimbursement and Funding" by deleting the current text thereof and substituting in its place the follow text:

1. Reimbursement and Funding.

Subject to all other terms of this Third Reimbursement and Funding Agreement ("Agreement") the County shall reimburse to the Agency up to the additional sum of \$971,000 (the "Reimbursement") for the purpose of funding to perform Environmental

Consulting Services Phase I work, Program Management, and contract legal services for the negotiation of a Project Labor Agreement, up to and including the 218 process, such additional sum to be in addition to the sums of \$971,000 that was to be reimbursed under the Third Reimbursement and Funding Agreement, \$500,000 that was to be reimbursed under the First Reimbursement Agreement, and \$600,000 to be reimbursed under the Second Reimbursement Agreement.

The Reimbursement shall be provided to the Agency within 30 days working days of the receipt by the County of Agency documentation verifying covered expenditures. Documentation shall be submitted to the County Administrative Office as set forth in paragraph 11 (D), below.

2. Except as set forth in this Amendment No. 1, Third Agreement, the Third Reimbursement and Funding Agreement, effective January 1, 2016 remains in full force and effect.

3. This Amendment No. 1, Third Agreement shall be attached to the Third Reimbursement and Funding Agreement and incorporated therein as if fully set forth in the Third Reimbursement and Funding Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment, Third Agreement as of the day and year written below:

DATED: _____

COUNTY OF MONTEREY

By _____

Lew C. Bauman
County Administrative Officer

APPROVED AS TO FORM AND LEGALITY FOR THE COUNTY

CHARLES J. MCKEE, County Counsel

By _____

Leslie J. Girard
Chief Assistant County Counsel

DATED: _____

WATER RESOURCES AGENCY

By _____

David E. Chardavoyne
General Manager, Water Resources Agency

First Amendment To Third Reimbursement And
Funding Agreement

APPROVED AS TO FORM AND LEGALITY FOR THE AGENCY
CHARLES J. MCKEE, County Counsel

By _____
Jesse J. Avila
Deputy County Counsel