



Monterey County

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Board Report

Legistar File Number: WRAG 17-164

June 19, 2017

Introduced: 6/14/2017

Current Status: Agenda Ready

Version: 1

Matter Type: WR General Agenda

Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors:

- a. Approve the 4th 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; and
- b. Request the Auditor Controller to amend the FY 2017-18 Adopted Budget and increase appropriation to \$852,000 in 9300-8267-Fund 426 financed by an operating transfer in from the County of Monterey 001-1050-8038-CAO017-7013. (4/5th vote required)

RECOMMENDATION:

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

approve and recommend that the Monterey County Water Resources Agency Board of Supervisors:

- a. Approve the 4th 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; and
- b. Request the Auditor Controller to amend the FY 2017-18 Adopted Budget and increase appropriation to \$852,000 in 9300-8267-Fund 426 financed by an operating transfer in from the County of Monterey 001-1050-8038-CAO017-7013. (4/5th vote required)

SUMMARY/DISCUSSION:

The Water Resources Agency Interlake Tunnel and Spillway Modification project was approved by the Water Resources Board of Supervisors on June 3, 2014 and the Agency entered into a reimbursable funding agreement with the County for \$3,000,000 in the aggregate, agreeing to reimburse the necessary funds for such preparatory work on the condition that the County be repaid the funds if the Interlake Tunnel and Spillway Modification Projects are financed through an assessment district or other financing mechanism.

On September 13, 2016 the Agency's Interlake Tunnel and Spillway Modification projects received State funding grant in the amount of \$10,000,000 administered by the State Department of Water Resources (DWR) effective for project expenses prior to a vote pursuant to Proposition 218 on an assessment to finance the Projects on a reimbursement basis. As of October 2016, the Agency has received reimbursements from the County under the three prior County Reimbursement Agreements in the total amount of \$1,300,000.

The Board of Supervisors of the County and of the Agency desire to enter into this Fourth

Reimbursement and Funding Agreement for the remaining \$1,700,000 of the original \$3,000,000 authorized by the BOS. For FY 2017-18, the Agency is requesting only \$852,000 from the County for Interlake Tunnel and Spillway Modification projects cost that are not reimbursed by the DWR Grant.

OTHER AGENCY INVOLVEMENT:

The Agency worked with County Counsel in the development of this report.

FINANCING:

The Agency will utilize the \$852,000 County appropriation in the Agency FY 2017-18 Fund 426 Budget from the 4th Reimbursement and Funding Agreement between the County of Monterey and the Agency to finance on-going project expenses not covered in the State DWR grant.

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

Approved by: _____

David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:

Draft Agreement

Board Order