



# Monterey County

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## Board Report

Legistar File Number: WRAG 18-017

February 13, 2018

**Introduced:** 1/26/2018

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** WR General Agenda

Approve Amendment No. 1 to the Professional Services Agreement with Raftelis Financial Consultants Inc. for an extension of time to June 30, 2018; and authorize the General Manager to execute the Amendment.

### RECOMMENDATION:

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

- a. Approve Amendment No. 1 to the Professional Services Agreement with Raftelis Financial Consultants Inc. for an extension of time to June 30, 2018; and
- b. Authorize the General Manager to execute the Amendment.

### SUMMARY/DISCUSSION:

Raftelis Financial Consultants Inc. (RFC) was hired by the Monterey County Water Resource Agency for the primary objectives of reviewing the Agency Benefit Assessments in Zones 2B, 2Y, and 2Z; the Water Delivery and Service charges; ongoing Project Management; and, to provide an updated assessment methodology/analysis and a cost of service approach. Upon completion of the cost of service analysis, a comparison of the three methodologies would be presented and appended to the updated model. The three methodologies consisted of:

1. Existing assessment methodology
2. Revised assessment methodology developed
3. Cost of Service methodology developed

A model of the above methodologies was presented to the Board on March 20, 2017 and it was recommended that RFC meet with the 22 landowners in Zone 2B to discuss the options presented to them. One of the popular options was to merge the Water Delivery charge in Fund 131 of \$5.83 and Water Service charge in Fund 134 of \$67.82 before requesting an increase on assessments.

On August 25, 2017, RFC met with the Zone 2B landowners at the Water Quality and Operations meeting at Monterey One Water and the land owners agreed to the RFC option to update ordinance 3789 and clarifying Resolution 00-172 to merge the service and delivery charges into one utility charge to accomplish the following:

- By combining the service and delivery charges collected by the 22 growers in Zone 2B it enables transparency as to how the combined fees will be applied to both CSIP and SRDF projects;

- During a dry year, the SRDF collects too much in water service fees; this change will enable the Agency to move any additional fees collected from the SRDF budget to CSIP to pay for increased utility charges from well pumping.
- Combining the service and delivery fees will allow the 22 growers that pay the fee to review and recommend how the fees will be applied to the annual budgets for both the CSIP and SRDF projects. This will occur at the Water Quality and Operations meeting prior to the BOD annual budget approval process.

The Agency will request the Board to revise Ordinance 3789 and clarify Resolution 00-172, which will provide the authority to merge the Water Delivery and Water Service charges into one utility charge for both the CSIP and SRDF projects. This request will be presented at the February 20, 2018 Board meeting.

The attached agreement with RFC expired on June 30, 2017, and therefore, it is requested to extend the term of the agreement through June 30, 2018 utilizing the remaining \$37,796 of the original \$110,360 in the agreement to pay for invoices incurred through the fall of 2017.

OTHER AGENCY INVOLVEMENT:

Monterey One Source has been included in the presentation with RFC.

FINANCING:

The Agency has sufficient funds in Fund 131 FY 2017-18 Budget to cover the remaining outstanding invoices of \$37,796 that were submitted by RFC after the expiration date of June 30, 2017.

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

Approved by

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

Attachments:

1. Amendment No. 1
2. Agreement for Services
3. Board Order