



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: WRAFIN 24-035

April 05, 2024

Introduced: 4/1/2024

Current Status: Draft

Version: 1

Matter Type: WRA Finance Item

Consider recommending that the Monterey County Water Resources Agency Board of Directors recommend the Monterey County Water Resources Agency Board of Supervisors to:

- a. Approve and adopt a Fiscal Year (FY) 2024-25 assessment charges with cost-of-living adjustment (COLA) increase of 2.4% for Zone 2C Administration and Operations & Maintenance of Nacimiento and San Antonio Dams; and
- b. Set and hold a public hearing at 10:30 AM on May 29, 2024, to consider approving and adopting assessment rate charges; and
- c. Direct the Clerk of the Board of Supervisors to publish a hearing notice once a week for two consecutive weeks prior to the date set for the hearing.

RECOMMENDATION:

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

- a. Approve and adopt a Fiscal Year (FY) 2024-25 assessment charges with cost-of-living adjustment (COLA) increase of 2.4% for Zone 2C Administration and Operations & Maintenance of Nacimiento and San Antonio Dams; and
- b. Set and hold a public hearing at 10:30 AM on May 29, 2024, to consider approving and adopting assessment rate charges; and
- c. Direct the Clerk of the Board of Supervisors to publish a hearing notice once a week for two consecutive weeks prior to the date set for the hearing.

SUMMARY/DISCUSSION:

Monterey County Water Resources Agency (MCWRA) Ordinance No. 4203 (Ordinance) governs Zone 2C assessments which the electorate of the Agency's Zone 2C approved for the Salinas Valley Water Project (SVWP) to fund certain operations and maintenance at Nacimiento Dam and San Antonio Dam. The Ordinance stipulates the SVWP assessments be subjective to COLA increases based on the February Consumer Price Index (CPI) of the San Francisco, Oakland and San Jose urban area.

The Ordinance states that the target of ending/beginning fund balances for SVWP operation and maintenance expenses be approximately 50% of the total estimated SVWP operation and

maintenance expenses for the succeeding fiscal year, and if the ending fund balance for SVWP operation and maintenance expenses for the previous fiscal year is less than or equal to 50% of the total estimated SVWP operation and maintenance expenses for the succeeding fiscal year, then the Board shall increase the Operation & Maintenance and the Administrative components of the SVWP assessments by the CPI.

MCWRA requests, as the COLA increase in FY 2024-25, to adopt the CPI of 2.4% increase to assessment charges of Zone 2C Operations and Maintenance (O&M) component and Administration component for FY 2024-25. The attached Summary Chart details the assessment rates of FY 2024-25 with 2.4% COLA increase from FY 2023-24.

The MCWRA FY 2024-25 Recommended Budget includes total appropriations of \$15,877,607 and total revenue of \$12,984,201 of Fund 116. Its revenue includes \$4,485,633 assessment revenue from Zone 2C. The Recommended Budget estimates use of \$2,893,406 of Fund 116 fund balances to pay for budgeted activities. Its FY 2024-25 estimated ending balance is \$1,168,775. Adoption of 2.4% COLA would result in the total assessment revenue of \$5,630,735 from Zone 2C in FY 2024-25.

It is requested that the MCWRA Board of Directors recommend that the MCWRA Board of Supervisors set and hold a public hearing at 10:30 AM on May 29, 2024 to consider approving and adopting assessment rates as set forth in the Notice of Public Hearing relating to Zone 2C for Fiscal Year 2024-25, all identified in the Public Notice. Notices will be published once a week for two consecutive weeks prior to the date set for this hearing.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

Financial Impacts of the requested 2.4% COLA increase in FY 2024-25 to Zone 2C is estimated as follows:

- Assessment revenue of Zone 2C O&M and Admin components: \$4,485,633
 - Assessment revenue of Zone 2C Spillway and Diversion facility component: \$ 1,145,102
- The COLA increase will not apply to assessment charges of Zone 2C

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Approved by: Ara Azhderian, General Manager (831) 755-4860

Attachments:

Summary - Fiscal Year 2024-25 Assessment charges of Zone 2C

Notice of Public Hearing_ Zone 2C
BoS Resolution