



County of Monterey

Item No.

Board Report

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

Legistar File Number: WRAG 25-089

June 17, 2025

Introduced: 5/21/2025

Current Status: Agenda Ready

Version: 1

Matter Type: WR General Agenda

Adopt a resolution approving the Monterey County Water Resources Agency's Fiscal Year 2025-26 Revised Recommended Budget.

RECOMMENDATION:

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

Adopt a resolution approving the Monterey County Water Resources Agency's Fiscal Year 2025-26 Revised Recommended Budget.

SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency (Agency) presented its Fiscal Year 2025-2026 (FY26) Recommended Budget, totaling \$43,485,541 in expenses and \$39,235,673 in revenue, at the budget hearing on May 28, 2025. The Agency Board of Supervisors (Board) approved the Recommended Budget, contingent upon consideration of the Groundwater Monitoring Program (GMP) fees. At the Board's June 3, 2025, meeting, it did not approve the proposed FY26 GMP fees and postponed its consideration to a later date.

The FY26 Revised Recommended Budget (Revised Budget), reflects the actions taken by the Board on May 28, 2025 and June 3, 2025, which only affects the Fund 111 portion of the recommended budget.

This revised budget, totaling \$43,205,541 in expenses and \$38,435,673 in revenue, accounts for the elimination of \$800,000 in GMP revenue from Fund 111, reflecting the postponement of GMP fee consideration. Expenditures for Fund 111 will be reduced by \$280,000 in services and supplies. Staff costs of \$520,000, previously allocated to the GMP, will now be re-allocated to non-GMP activities and financed by fund balance within Fund 111. The revised budget for Fund 111 totals \$5,311,321 in expenses and \$4,563,908 in revenue, resulting in a fund balance use of \$747,413.

Overall, the Revised Budget allocates \$8.59 million for salaries and benefits, funding 44 FTE positions and leaving 13 FTE positions unfunded, resulting in salary savings of \$2.45 million. The total budgeted amount for services and supplies is \$34.61 million, which includes \$9.36 million for Monterey One Water and \$5.25 million for grant-funded consultants.

The Revised Budget does not allocate \$105,000 from the Fund 116 fund balance to the Fund 116 Dam Operations' capital project reserve, thus limiting the use of the Fund 116 fund balance.

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The Revised Budget estimates total revenue at \$38.44 million. The Agency's assessment charges and the Water Services Charge will receive a 2.7% cost-of-living adjustment (COLA) increase compared to FY25. The Water Delivery Fee for FY26 will be \$85.24 per acre-foot of water delivered.

The Revised Budget includes \$700,000 in revenue transfers from Fund 130 to Fund 116 to cover regulatory costs and \$252,500 in transfers from the County's Public Works Department for tide-gate construction in Fund 127 Moro Cojo. The Revised Budget does not include revenue from the GMP fees, reflecting outcomes of Agency Board of Supervisors' action at their June 3, 2025, meeting.

The FY26 Revised Recommended Budget reflects the use of \$4.77 million from fund balances to achieve a structurally balanced budget.

OTHER AGENCY INVOLVEMENT:

Staff worked with Monterey One Water for Fund 131 CSIP Operations, Fund 132 SVRP Operations, and Fund 134 SRDF Operations.

FINANCING:

The FY26 Revised Recommended Budget represents a statutorily balanced budget and meets all requirements for adoption.

Prepared by: Nan Kyung Kim, Finance Manager III, (831) 755-4860

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Approved by:



Ara Azhderian, General Manager, (831) 755-4860

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Attachments:

1. The FY26 Revised Recommended Budget
2. FY26 Fund Balance Summary
3. Resolution