



Monterey County

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Board Report

Legistar File Number: WRAG 16-046

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Introduced: 8/22/2016

Version: 1

Current Status: Agenda Ready

Matter Type: WRA General

- a. Approve a Budget Amendment for the Monterey County Water Resources Agency's FY 2015 16 Adopted Budget. This amendment is for the request to increase appropriation in Funds 131, WRA020 for \$618,646.91, and Fund 132, WRA 021 for \$851,774.43 related to the expenditure that needs to be booked for the unpaid Monterey Water Regional Pollution Control Agency (MRWPCA) invoices for FY 2013-14 that were intended to be offset against the annual seed allocation advanced by the Agency (advances to MRWPCA, BSA 1803) to MRWPCA;
- b. Authorize the Auditor Controller to amend the Monterey County Water Resources Agency's FY 2015 16 Adopted Budget for Fund 131 CSIP O&M, WRA 020 to increase appropriation by \$618,646.91 financed by unassigned fund balance in Fund 131 from the release of the restricted fund balance in Fund 131 for \$618,646.91 previously set aside for the advances to MRWPCA, since the advances will be closed against the expenditure for which this appropriation is requested. (4/5th vote required); and,
- c. Authorize the Auditor Controller to amend the Monterey County Water Resources Agency's FY 2015 16 Fund 132 SVRP O&M, WRA 021 to increase appropriations by \$851,774.43 financed by unassigned fund balance in fund 132 from the release of the restricted fund balance in fund 132 for \$851,774.43 previously set aside for the advances to MRWPCA, since the Advances will be closed against the expenditure for which this appropriation increase is requested (4/5th vote required).

RECOMMENDATION:

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

- a. Approve a Budget Amendment for the Monterey County Water Resources Agency's FY 2015 16 Adopted Budget. This amendment is for the request to increase appropriation in Funds 131, WRA020 for \$618,646.91, and Fund 132, WRA 021 for \$851,774.43 related to the expenditure that needs to be booked for the unpaid Monterey Water Regional Pollution Control Agency (MRWPCA) invoices for FY 2013-14 that were intended to be offset against the annual seed allocation advanced by the Agency (advances to MRWPCA, BSA 1803) to MRWPCA;
- b. Authorize the Auditor Controller to amend the Monterey County Water Resources Agency's FY 2015 16 Adopted Budget for Fund 131 CSIP O&M, WRA 020 to increase appropriation by \$618,646.91 financed by unassigned fund balance in Fund 131 from the release of the restricted fund balance in Fund 131 for \$618,646.91 previously set aside for the advances to MRWPCA, since the advances will be closed against the expenditure for which this appropriation is requested. (4/5th vote required); and,
- c. Authorize the Auditor Controller to amend the Monterey County Water Resources Agency's FY 2015 16 Fund 132 SVRP O&M, WRA 021 to increase appropriations by \$851,774.43 financed by unassigned fund balance in fund 132 from the release of the restricted fund balance in fund 132 for \$851,774.43 previously set aside for the Advances to MRWPCA, since the advances will be closed against the expenditure for which this appropriation increase is requested (4/5th vote required).

SUMMARY/DISCUSSION:

The requested accounting transaction in this report closes two asset accounts (BSA 1803) in Funds 131 Castroville Seawater Intrusion Project (CSIP) O&M and Fund 132 Salinas Valley Reclamation Project (SVRP) O&M related to the expenditure of unpaid MRWPCA invoices for FY 2013-14 that were intended to be offset against the annual seed allocation advanced by the Agency (BSA 1803) to MRWPCA. This transaction was delayed until the final result of the audit on MRWPCA. It has now been determined by the Auditor Controller's Office that money held in restricted BSA 1803 accounts for Funds 131 and 132 totaling \$1,470,421.34 is to be closed against the unpaid invoices to MRWPCA.

At that time the Agency paid Monterey Regional Water Pollution Control Agency (MRWPCA) annual seed allocations for budgeted O&M costs for the SVRP, the CSIP and the SRDF at an amount of \$ 1,593,180 for SVRP, \$ 947,835 for CSIP, and \$545,004 for SRDF. The revenues used to cover these costs are Water Delivery/Service charges to growers in the Castroville Area. Prior to FY 2013-14, MRWPCA would collect water delivery fees and use these funds to pay for O&M costs. At the end of the fiscal year, MRWPCA would have an audit and then forward any remaining funds to MCWRA - the portion of water delivery fees that were not used for O&M, which would leave seed money for the following year. The seed money totaled \$ 1,470,421.34 (\$618,646.91 for CSIP and \$851,774.43 for SVRP).

This process changed in FY 2013-14, when the MCWRA Board of Directors adopted the recommendation by Hayashi and Wayland that the MCWRA take over the billing and collections of the Water Delivery/Service Fees from MRWPCA for the CSIP/SRDF projects. Following the transfer of responsibilities, MCWRA requested all funds held at MRWPCA to be returned to the Agency. This has been a slow process and this transaction's sole purpose is to close the two asset accounts for funds 131 CSIP O&M and 132 SVRP O&M that once held the MRWPCA seed allocations for FY 2013-14 and has since been reconciled between MRWPCA and the Agency.

OTHER AGENCY INVOLVEMENT:

None.

Due to the late submission of this report, the County Administrative Office Budget and Analysis Division was not provided adequate time to review for potential fiscal, organizational, policy or other implications to the County of Monterey.

FINANCING:

These transactions for funds 131 CSIP O&M and 132 SVRP O&M in this report have no impact on fund balance since this transaction uses the restricted fund balance in account BSA 1803 which is the set aside remaining seed allocation from FY 2013-14.

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Approved by: _____
David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:

1. Budget Revision
2. Summary of Fund Balance