

**Before the Board of Supervisors in and for the County of
Monterey, State of California**

Resolution No. 22 - _____

Resolution of the Monterey County Board of Supervisors to:

Approve and authorize forgiveness of the loan of \$950,000 issued to Monterey County Water Resources Agency, financed by Monterey County's General Fund Cannabis Tax Assignment for the Pajaro River Flood Risk Management Project Design Phase.

WHEREAS, the Pajaro River Federal Flood Control Project was built in 1949 by the United States Army Corps of Engineers ("USACE") and is maintained jointly by the Santa Cruz County Flood Control and Water Conservation District – Zone 7 ("Zone 7") and the Monterey County Water Resources Agency ("MCWRA");

WHEREAS, the Pajaro Regional Flood Management Agency ("PRFMA") was formed under the Joint Exercise of Powers Act, Government Code section 6500 et seq., pursuant to a Joint Exercise of Powers Agreement ("JPA Agreement") dated July 21, 2021, in order to coordinate, finance, acquire, construct, improve, operate or maintain flood management infrastructure on the Pajaro River in Santa Cruz and Monterey Counties. Its Member Agencies are County of Santa Cruz, Zone 7, County of Monterey, City of Watsonville and MCWRA;

WHEREAS, the PRFMA is the lead local agency to work with USACE in continuing the Pajaro River Federal Flood Control Project ("Project"), which is currently maintained jointly by Zone 7 and MCWRA;

WHEREAS, USACE and the non-federal sponsors (Zone 7 and MCWRA) entered into a Design Agreement ("DA") in May 2021 for the new Pajaro River Federal Flood Control Project ("Project");

WHEREAS, the DA estimates a total Project cost of \$7,100,000, cost shares are projected to be \$4,615,000 for the federal government, \$1,342,500 for Zone 7 and \$1,142,500 for MCWRA over three years;

WHEREAS, non-federal cost share contributions made by Zone 7 and MCWRA would be eligible for reimbursements by the California State Department of Water Resources ("DWR") thru the Coast Watershed Funding Agreement and a Subventions Agreement;

WHEREAS, on November 16, 2021, Monterey County Board of Supervisors authorized a loan up to \$950,000 over two years to MCWRA to pay its non-federal cost share of the Project with the condition that it will be repaid with reimbursements from DWR;

WHEREAS, MCWRA borrowed \$658,500 in Fiscal Year 2021-22, and submitted a

reimbursement request to DWR in July 2022. A request of the second installment in FY 2022-23 for \$291,500 was submitted to the County by MCWRA on July 7, 2022;

WHEREAS, a recent survey of the Pajaro Levee by PRFMA indicates that a portion of the levee crest on the Monterey County side requires restoration, which is estimated to cost approximately \$3.5 to \$4.0 million, assuming construction in 2026;

WHEREAS, temporary protective measure within the restoration reach is to install Muscle Wall of 10,510 feet length for the high priority areas;

WHEREAS, estimate cost of the complete Muscle Wall is \$859,227.53 for materials, and there will be additional cost for storage and labor. Materials will be paid by MCWRA and there may also be additional work costs that will be performed by PRFMA;

WHEREAS, the area that needs crest restoration is upstream of the Project and modeling identifies this as an area of concern. PRFMA and MCWRA staff understand this area to pose a potential public safety risk and believe this temporary protective measure will reduce flood risk; and

WHEREAS, the primary funding source of Fund 112 is flood benefit special assessments of Zone1/1A, which pays for routine operations and maintenance activities and is not sufficient to cover unexpected cost such as installation of the Muscle Wall and reimbursements from DWR, which was originally intended to repay the County loan is the only possible revenue MCWRA has been able to identify for this purpose.

NOW THEREFORE BE IT RESOLVED, the Monterey County Board of Supervisors does hereby:

Adopt a resolution approving and authorizing forgiveness of the loan of \$950,000 issued to Monterey County Water Resources Agency, financed by Monterey County's General Fund Cannabis Tax Assignment for the Pajaro River Flood Risk Management Project Design Phase.

PASSED AND ADOPTED upon motion of Supervisor_____, seconded by Supervisor_____, and carried this 13th day of September, 2022, by the following vote, to wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____, Deputy