

**BOARD OF SUPERVISORS OF THE
MONTEREY COUNTY WATER RESOURCES AGENCY**

MEETING: June 14, 2011	AGENDA NO.: S-6
SUBJECT: Hold a public hearing on June 14, 2011, at 1:30 P.M., to consider approval for the Fiscal Year (FY) 2011-2012 assessments, water delivery charges, and water service charges for Zone 2B, and FY 2011-2012 assessments for Zones 2Y and 2Z for the Castroville Seawater Intrusion Project and the Salinas Valley Reclamation Project.	
Department: Water Resources Agency	

RECOMMENDATION

It is recommended that the Board of Supervisors:

Hold a public hearing on June 14, 2011, at 1:30 P.M., to consider approval for the Fiscal Year (FY) 2011-2012 assessments, water delivery charges, and water service charges for Zone 2B, and FY 2011-2012 assessments for Zones 2Y and 2Z for the Castroville Seawater Intrusion Project and the Salinas Valley Reclamation Project.

SUMMARY

This Board action will hold a public hearing on the FY 2011-12 assessment, water delivery charges, and water service charges for Zone 2B and assessments for Zones 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP). The assessment rates, water delivery charges, and water service charges will remain the same as FY 2010-11.

DISCUSSION

In October 1992, Ordinances 3635 and 3636 were approved for establishing assessments in Zone 2B, 2Y, and 2Z for the CSIP and SVRP. In November 1994, Ordinance 3789 was approved for establishing water delivery charges for Zone 2B. In April 2000, the Board of Supervisors clarified implementation of Ordinances 3635, 3636, and 3789 through the adoption of Clarification Resolution 00-172. Water service charges for operations and maintenance of the Salinas Diversion Facility were adopted on January 29, 2008.

FY 1997-98 was the first full year of assessments in Zones 2Y and 2Z, and the assessment and water delivery charges in Zone 2B. In FY 1998-1999, both assessments and water delivery charges remained at the rates established in FY 1997-98. Zones 2B, 2Y, and 2Z were established to provide revenue to operate and maintain the CSIP and the SVRP, and pay debt service on municipal bonds, a State Revolving Fund loan, and a Small Reclamation Projects loan from the U.S. Bureau of Reclamation. The operation of the CSIP and SVRP will assist in the reduction of seawater intrusion in the groundwater aquifers in the Salinas Valley by providing an alternative source of irrigation water in the form of recycled water. This will reduce the reliance on groundwater pumping in the northern portion of the Salinas Valley.

The Agency Act and the Ordinances require the adoption of resolutions by the Board of Supervisors of the Monterey County Water Resources Agency to continue assessments, water delivery charges, and water service charges for the CSIP/ SVRP and SRDF. Attachments 2, 3, and 3A are the recommended resolutions for approval by the Board of Supervisors establishing assessment rates, water delivery charges, and water service charges for FY 2011-2012. Attachment 4 is the Notice of Public Hearing to be published by the Clerk of the Board.


OTHER AGENCY INVOLVEMENT

County Counsel has reviewed this Board Report as to form. On April 25, 2011, the Agency Board of Directors as shown in Attachment 6 recommended that the Board of Supervisors approve the assessment rates, water delivery charges, and water service charges for FY 2011-12 with no increases over FY 2010-2011 charges. as shown on attachment 2.3, and 3A that represent no increase in assessments, and water delivery charges and water service charges over the previous fiscal year.

FINANCING

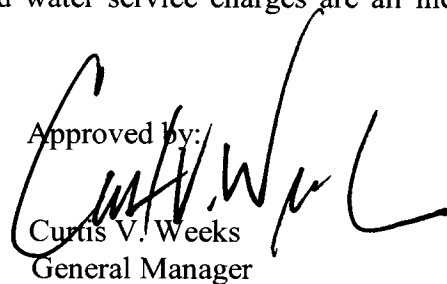
The revenues from Zone 2B assessments for FY 2011-12, Fund 119, are estimated to be \$3,188,277. The revenues for Zones 2Y and 2Z assessments, Funds 131 and 132, are estimated to be \$965,487 and \$2,945,389. The revenues for the FY 2011-2012 water delivery charges, Fund 131, are estimated to be \$100,000. Revenue for water service charge, Fund 423, are estimated to be \$1,300,000. Zones 2Y, 2Z, and 2B assessment revenue and water delivery charges and water service charges are all included in the Agency's proposed FY 2011-12 Budget.

Prepared by:



David Kimbrough
Chief Admin Services/Finance Manager
May 3, 2011

Approved by:



Curtis V. Weeks
General Manager

Attachment:

1. Zone Maps
2. Resolution establishing assessments for Zones 2B, 2Y and 2Z for 2011-12.
3. Resolution establishing water delivery charges for Zone 2B for 2011-12.
- 3A. Resolution establishing water service charges for SVDF for 2011-12.
4. Notice of Public Hearing.
5. Historical Board Actions
6. Board Order Setting Public Hearing
7. MCWRA BOD Board Order