



# Monterey County

## Item No.44

### Board Report

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

**Legistar File Number: RES 22-094**

**May 10, 2022**

**Introduced:** 4/29/2022

**Current Status:** RMA Public Works -  
Consent

**Version:** 1

**Matter Type:** BoS Resolution

Adopt a Resolution to:

Authorize the County Administrative Officer to complete the County's ballots for the Pajaro Regional Flood Management Agency Assessment for Levee Operations & Maintenance by voting [Yes/No] and returning the ballots to the Agency before the close of its public hearing on June 8, 2022.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution authorizing the County Administrative Officer to vote [Yes/No] on the County's ballots for the Pajaro Regional Flood Management Agency's proposed assessment for levee operations and maintenance.

SUMMARY:

The County owns the following parcels within the proposed boundaries for the assessment district. The total annual assessment for all parcels is \$876.42.

117-262-020-000	Vacant	\$	15.00
117-301-013-000	Vacant	\$	15.00
117-323-013-000	Commercial	\$	786.42
117-381-031-000	Vacant	\$	15.00
117-122-001-000	Vacant	\$	15.00
117-142-002-000	Vacant	\$	15.00
119-031-011-000	Vacant	\$	15.00
119-041-099-000	Vacant	\$	15.00
Total Proposed Annual Assessment		\$	876.42

Monterey County serves as a Member Agency of the Pajaro Regional Flood Management Agency (PRFMA) and holds a seat on its Board of Directors. The PRFMA will be responsible for operations and maintenance of the Pajaro River flood protection system, including levees and agreed-upon drainage facilities. The consolidation is expected to improve delivery of services, including emergency response, and create long-term cost efficiencies. On April 13, 2022, the PRFMA Board of Directors

adopted a resolution of intention to form an assessment district to provide supplemental funding necessary for the levee operations and maintenance, under which certain County-owned parcels are proposed to be assessed. The PRFMA Board has initiated an assessment ballot proceeding pursuant to the Benefit Assessment Act of 1982 (Government Code §54703 et seq.), Article XIII D of the California Constitution, and the Proposition 218 Omnibus Implementation Act (Government Code §53750 et seq.).

DISCUSSION:

PRFMA, a joint powers authority of the City of Watsonville, Santa Cruz County, Monterey County, the Santa Cruz County Flood Control and Water Conservation District Zone 7, and the Monterey County Water Resources Agency, was formed in 2021 to plan, finance, and manage projects and programs to reduce flood risk in the lower Pajaro River region. PRFMA will do so by implementing flood risk reduction projects, like levee improvements, and by managing levee operations and maintenance on behalf of its member agencies.

After decades of planning and discussion, the United States Army Corps of Engineers (USACE), in partnership with PRFMA and the California Department of Water Resources (DWR), is starting design for the Four Hundred Million Dollar (\$400,000,000) Pajaro River Flood Risk Management Project (Project), which will improve levees along the Pajaro River and Salsipuedes and Corralitos Creeks. Once completed, the project will provide up to 100-year flood protection to Watsonville, Pajaro and surrounding agriculture lands, removing properties from the FEMA Special Flood Hazard Area (SFHA) and ending associated requirements for flood insurance and building restrictions. The project also benefits properties that are not covered by flood insurance, as it will significantly reduce the chances of flooding.

The USACE and DWR have agreed to pay One Hundred Percent (100%) of the Project design and construction costs, a first in California. It equals an investment of about \$130,000 for every property that will be protected by the improved levees. To receive funding, however, the local community must agree to maintain levees to strict federal regulations which requires PRFMA to demonstrate that levee operations and maintenance is adequately funded.

PRFMA plans to assume management of levee operations and maintenance on behalf of its member agencies. This is expected to improve compliance with federal regulations, create efficiencies and long-term cost savings, and improve emergency response. The proposed annual budget for levee operations and maintenance is \$3.8 million per year. Existing assessment revenues from Zone 7 (Santa Cruz County) and Zones 1/1A (Monterey County), along with a modest contribution from the City of Watsonville to oversee levee pump stations, generate \$2.6 million per year which leaves a shortfall between existing and needed revenues of \$1.2 million per year.

PRFMA is proposing an annual property assessment to close the gap between existing and needed revenues for levee operations and maintenance. Pursuant to California Proposition 218, only properties that benefit from the PRFMA's levee maintenance activities can be assessed. The benefit to each property is the avoidance of flood damages to land and structures resulting from adequate levee maintenance. Each property's assessment differs based on the benefit received. Individual

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parcel assessments are calculated based on the following factors; relative flood risk (location of the property), land use type, parcel size, square footage of any structures, average flood depth, and percentage of the parcel that is flooded. The Preliminary Engineer's Report can be found at: <https://www.prfma.org>.

Pursuant to Proposition 218, only property owners within the proposed assessment district boundary are eligible to vote on the proposed assessment. Each property owner's vote is weighted by the amount of the subject property's proposed assessment. The assessment will not be imposed if the weighted votes against the assessment are greater than the weighted votes in favor.

The PRFMA Board of Directors will organize and convene a standing Citizen's Assessment Oversight Committee (Committee) if the assessment is approved by property owners. The Committee will represent the interests of property owners and residents within the assessment district boundaries in the review of PRFMA's collection and expenditure of assessment district revenues.

If the assessment is not approved by property owners, the community will lose eligibility for state and federal funding and the ability to implement the \$400 million Pajaro River Flood Risk Management Project.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office has reviewed the recommendation. PRFMA Member Agencies include the City of Watsonville, the County of Monterey, the County of Santa Cruz, the Monterey Water Resources Agency, and Zone 7 of the Santa Cruz County Flood Control and Water Conservation District.

FINANCING:

The County owns eight (8) parcels that will receive benefit from PRFMA's levee operations and maintenance program. The proposed annual assessment for the parcels is \$876.42. The maximum authorized Assessment Rate may be increased in future years by an annual inflationary escalator based on the annual change in the Consumer Price Index, subject to a minimum of zero percent (0%) and a maximum of four percent (4%) in any given year upon approval by the PRFMA Board of Directors.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation meets the Board's strategic initiatives of infrastructure and public safety by promoting a flood reduction project to benefit constituents and a funding mechanism to sustain it into the future.

Mark a check to the related Board of Supervisors Strategic Initiatives.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities, and Parks

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Randell Ishii  
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ATTACHMENTS:

- A. Draft Resolution
- B. Assessment Ballots for County-owned parcels (example)
- C. Preliminary Engineer's Report and Community Newsletter - available on the PRFMA website  
(<https://www.prfma.org>)