



Monterey County

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Board Report

Legistar File Number: WRAG 17-142

June 06, 2017

Introduced: 5/31/2017

Version: 1

Current Status: Agenda Ready

Matter Type: WR General Agenda

- a. Hold a Public Hearing on June 6, 2017 at 1:30 PM to consider adopting assessment rate charges with a 3.5% COLA increases for Zones 2B, 2Y and 2Z for Fiscal Year 2017-2018, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and,
- b. Approve and adopt a 3.5% FY 2017-18 cost of living adjustment (COLA) for Zones 2B, 2Y and 2Z, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and the CSIP water delivery charge.

RECOMMENDATION:

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

- a. Hold a Public Hearing on June 6, 2017 at 1:30 PM to consider adopting assessment rate charges with 3.5% COLA increases for Zones 2B, 2Y and 2Z for Fiscal Year 2017-2018, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and,
- b. Approve and adopt a FY 2017-18 cost of living adjustment (COLA) charge of 3.5% for Zones 2B, 2Y and 2Z, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and the CSIP water delivery charge.

SUMMARY/DISCUSSION:

On March 20, 2017 Raftelis Financial Consulting Inc. (RFC) delivered a presentation to the Water Resources Board of Directors seeking approval of their recommendation to the Agency to request a maximum cost of living adjustment (COLA) increase in the recommended FY 17-18 budget. A current fiscal year COLA increase is required since the Agency did not collect one from FY 2011 - 2017, totaling approximately 19.8%. The Board of Directors requested RFC to meet with the Zone 2B, 2Y, and 2Z land owners after the FY 17-18 recommended budget is approved to discuss an approach to this accumulated, uncollected COLA.

This board report requests the minimum annual 3.5% COLA increase for Zones 2B The Castroville Seawater Intrusion Project (CSIP), Zones 2Y, the Operations and Maintenance of the Castroville Seawater Intrusion Project (CSIP) and Zone 2Z the Operations and Maintenance of the Salinas Valley Reclamation Project (SVRP). The CSIP Water Delivery charge of \$5.63 will increase to \$5.83 and the water service charge of \$67.82 will remain unchanged.

Zones 2B, 2Y, and 2Z were established to provide revenue to construct, operate and maintain the CSIP and the SVRP, which includes debt service for the municipal bonds, a State Revolving Fund loan, and a Small Reclamation Projects loan from the U.S. Bureau of Reclamation that

funded the construction of the projects. The operation of the CSIP and SVRP assists 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 MCWRA Act and Ordinances 3635 and 3636 require the adoption of annual resolutions by the Agency Board of Supervisors to continue the assessments, water delivery, and water service charges for the CSIP and SVRP.

OTHER AGENCY INVOLVEMENT:

No other Agencies were involved in preparing this report.

FINANCING:

The requested COLA increase of 3.5% will increase FY 2017-18 revenues as follows:

- Zone 2B Fund 119 will increase revenues by \$116,564 bringing total revenue from \$3,330,398 to \$3,446,962
- Zone 2Y Fund 131 will increase revenues by \$35,642 bringing total revenues from \$1,018,329 to 1,053,971
- Zone 2Z Fund 132 will increase revenues by \$108,752 bringing total revenues from \$3,107,201 to \$3,215,953
- Water Service Fee will increase from \$5.63 to \$5.83 a total increase of \$4,490 bringing total revenues from \$128,083 to \$132,573

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Approved by:
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Attachments:

1. Notice of Public Hearing
2. MCWRA Executed Board Order
3. Resolution