



County of Monterey

Item No.3

Board Report

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

Legistar File Number: WRAFIN 23-010

March 03, 2023

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Matter Type: WRA Finance Item

Support recommending that the Board of Directors of the Monterey County Water Resources Agency recommend that the Board of Supervisors of the Monterey County Water Resources Agency approve and execute an Operations, Maintenance, Repair, Replacement, and Rehabilitation Assignment Agreement with the Pajaro Regional Flood Management Agency for the Pajaro River Federal Flood Control Project.

RECOMMENDATION:

It is recommended that the Finance Committee:

Support recommending that the Board of Directors of the Monterey County Water Resources Agency recommend that the Board of Supervisors of the Monterey County Water Resources Agency approve and execute an Operations, Maintenance, Repair, Replacement, and Rehabilitation Assignment Agreement with the Pajaro Regional Flood Management Agency for the Pajaro River Federal Flood Control Project ("Project").

SUMMARY/DISCUSSION:

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.

The Member Agencies of the PRFMA are County of Santa Cruz, Santa Cruz County Flood Control and Water Conservation District, Zone 7 ("Zone 7"), County of Monterey ("County"), City of Watsonville, and the Monterey County Water Resources Agency ("MCWRA" or "Agency"). The PRFMA will be the lead local agency to work with the United States Army Corps of Engineers in continuing the Project, which is currently maintained jointly by Zone 7 and MCWRA, as non-federal sponsors.

An Operations, Maintenance, Repair, Replacement, and Rehabilitation Assignment Agreement ("OMRR&R Agreement") was proposed by PRFMA to transfer the operation, maintenance, repair, replacement, and rehabilitation of the Project in accordance with Federal law, Federal guidance, applicable Federal Operation and Maintenance Manual, any revised or updated version of the Federal Operation and Maintenance Manual, and any applicable Stream Maintenance Program and Plan. The OMRR&R Agreement also transfers all rights of access and ownership of lands that MCWRA currently holds.

The OMRR&R Agreement requires that MCWRA repair a portion of the levee in compliance

with the responsibilities and performance standards of the original 1949 Federal Operation and Maintenance Manual. In lieu of undertaking the repairs, the MCWRA may pay to the PRFMA \$859,228 in full satisfaction of its obligations by the effective date of the OMRR&R Agreement.

Ultimately, PRFMA will become the non-federal sponsor of the Project and will assume the responsibilities currently performed by the MCWRA, as well as any additional responsibilities the PRFMA is authorized to undertake, on the condition that the MCWRA agrees to provide funding in accordance with the Cost Sharing Agreement. The Cost Sharing Agreement was approved by the MCWRA BOS on Sept. 13, 2022 and is currently going through approvals for a minor amendment that does not affect the terms related to MCWRA.

Staff plans to complete both the Cost Sharing Agreement and the OMRR&R Agreement, effective June 1, 2023.

OTHER AGENCY INVOLVEMENT:

PRFMA, County Counsel

FINANCING:

FY2022-23 Adopted Budget of Pajaro Levee (Fund 111- 9300-WRA002-Unit 8484) has sufficient appropriations to fund the OMRR&R Agreement.

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 the State Department of Water Resources. On September 13, 2022, the Board approved and authorized forgiveness of the loan to pay for a one-time payment of \$859,228 to PRFMA.

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Approved by: Lew Bauman, Interim General Manager, (831) 755-4860

Attachments:

1. OMRR&R Agreement with PRFMA