

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

Resolution No. 21-405

Resolution of the Monterey County Board of Supervisors to:

- a. Authorize the County of Monterey to issue a loan not to exceed \$950,000, valid through June 30, 2023, to the Monterey County Water Resources Agency to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
- b. Authorize the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2021-22 adopted budget to increase appropriations by \$658,500, financed by a release of \$658,500 from the Cannabis Assignment Fund balance BSA 001-3132 (4/5 vote required).

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"). USACE has recently completed the necessary steps for the Project to enter into the Design Phase, which includes performance of detailed pre-construction engineering, preparation of plans and specifications for the initial construction contract for the project. The Director's Report signed and released on December 12, 2019, by the USACE Headquarters confirms the federal authorization;

WHEREAS, the USACE and the non-federal sponsors (Zone 7 and MCWRA) entered into a Design Agreement ("DA") in May 2021. The DA describes the financial commitment of the federal government and the non-federal sponsors, who will share in the costs of all requirements needed to complete the preconstruction engineering and design under the first construction contract. The cost-share allocation is 65% federal and 35% non-federal. The non-federal sponsors' share will be split 50/50 between Zone 7 and MCWRA. The DA estimates a total project cost of \$7,100,000, the federal government's share projected to be \$4,615,000, the non-federal sponsors' work-in kind share by Zone 7 to be \$200,000, and the non-federal sponsors' cash contribution share of \$2,285,000 over multiple fiscal years. MCWRA's projected cash-share is \$1,142,500;

WHEREAS, the USACE invoiced the non-federal sponsors for \$385,000 for the first cash contribution. MCWRA paid \$192,500 for the 50/50 cost-share on June 22, 2021. MCWRA received the second invoice dated September 23, 2021, requesting the non-federal sponsor cash contribution of \$1,317,000, due on October 22, 2021; MCWRA's share is \$658,500. USACE granted MCWRA and Zone 7 an extension of the due date. MCWRA's remaining estimated cost-share of the project will be \$291,500 and is expected to be paid out in FY 2022-23;

WHEREAS, The Monterey County Board of Supervisors authorized a loan to MCWRA from the Cannabis Assignment on July 7, 2020, of up to \$1,000,000 to assist MCWRA with its cash flow for the non-federal share costs. This loan was not utilized in FY 2020-2021 due to delays in finalizing the Subventions Agreement with the California Division of Water Resources. MCWRA did not include the projected cash-share in its FY 2021-22 Adopted Budget. MCWRA requests to reinstate the authorization of the loan for MCWRA in FY 2021-22 and FY 2022-23 to pay the remaining non-federal sponsors' cash contributions of \$950,000;

WHEREAS, the MCWRA Board of Supervisors has authorized the funding agreement. MCWRA and Zone 7 are negotiating with the Division of Water Resources on a funding agreement for State Subventions authorization. While the proposed cost share from the State is up to 100% of the non-federal eligible costs under the State Subventions authorization, the reimbursements under this agreement may not be received until FY 2022-23; and

WHEREAS, the MCWRA total non-federal sponsor cost-share needed exceeds the Fund 112 (Pajaro Levee) fund balance. MCWRA cannot borrow from most other MCWRA funds due to restrictions specific to the Zones. The funds that could be utilized do not have sufficient fund balance to pay for the invoiced amounts. The loan from the Cannabis Assignment will be repaid to the County's when the State Subvention Funds are received, estimated to be between 6 to 12 months from the time the costs are incurred.

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

- a. Authorize the County of Monterey to issue a loan not to exceed \$950,000, valid through June 30, 2023, to the Monterey County Water Resources Agency to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
- b. Authorize the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2021-22 adopted budget to increase appropriations by \$658,500, financed by a release of \$658,500 from the Cannabis Assignment Fund balance BSA 001-3132 (4/5ths vote required).

PASSED AND ADOPTED on this 16th day of November 2021, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, Askew and Adams

NOES: None

ABSENT: None

(Government Code 54953)

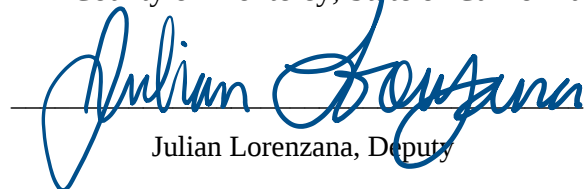
I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting November 16, 2021.

Dated: November 22, 2021

File ID: WRAG 21-175

Agenda Item No.: 1

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



Julian Lorenzana, Deputy