



# County of Monterey

## Item No.5

### Board Report

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

Legistar File Number: WRAFIN 23-011

March 03, 2023

Introduced: 2/27/2023

Current Status: Agenda Ready

Version: 1

Matter Type: WRA Finance Item

Consider recommending that the Monterey County Water Resources Agency (MCWRA) Board of Supervisors approve and authorize the Auditor-Controller to:

- a. Increase Fiscal Year (FY) 2022-23 appropriations in the MCWRA Budget Fund 122, Appropriation WRA012, Unit 8487 by \$350,000 to pay for operational needs of Reclamation Ditch (Zone 9) and to be financed by Fund 122 Fund Balance; and
- b. Increase FY 2022-23 appropriations in the MCWRA Budget Fund 131, Appropriation WRA020, Unit 8491 by \$600,000 to pay operational expenses of Industrial Wastewater Pond 3 Projects in 2022 and 2023 and be financed by Fund 131 Fund Balance.

#### RECOMMENDATION:

It is recommended that the Finance Committee:

Consider recommending that the Monterey County Water Resources Agency (MCWRA) Board of Supervisors approve and authorize the Auditor-Controller to:

- a. Increase Fiscal Year (FY) 2022-23 appropriations in the MCWRA Budget Fund 122, Appropriation WRA012, Unit 8487 by \$350,000 to pay for operational needs of Reclamation Ditch (Zone 9) and to be financed by Fund 122 Fund Balance; and
- b. Increase FY 2022-23 appropriations in the MCWRA Budget Fund 131, Appropriation WRA020, Unit 8491 by \$600,000 to pay operational expenses of Industrial Wastewater Pond 3 Projects in 2022 and 2023 and be financed by Fund 131 Fund Balance.

#### SUMMARY/DISCUSSION:

The Castroville Seawater Intrusion Project (CSIP) is part of a conjunctive use system that delivers a combination of recycled water, Salinas River water, and groundwater to farmers to reduce groundwater extraction within seawater intruded areas of the 180/400-Foot Aquifer Subbasin. Monterey One Water (MIW) owns and operates the Regional Treatment Plant (RTP) that provides treated effluent to the Salinas Valley Reclamation Plant (SVRP) which treats the water for use in the CSIP distribution area.

MCWRA, MIW and the City of Salinas entered into a short-term agreement to utilize the Industrial Wastewater as a source water for CSIP. When the Industrial Wastewater is pre-treated and stored in Pond 3 at the City of Salinas Industrial Wastewater Facility it would provide a steadier amount of water with higher water quality. Industrial Wastewater supplied water to CSIP in summers of year 2021 and year 2022.

Estimates of Pond 3 use and Industrial Wastewater operation cost was not known and therefore was not accounted for in the FY 2022-23 Adopted Budget for CSIP operations. Total cost of M1W's Operations in year 2021 and 2022 was \$489,172 and total cost of the City of Salinas is still to be determined. The adopted FY23 budget for CSIP operations (131-9300-WRA020-8491) does not have sufficient appropriations and will require an appropriation increase by \$600,000 to pay for to pay for Industrial Wastewater expenses for the prior years, which needs to be funded by Fund 131 Fund Balances.

Additionally, MCWRA requests appropriation increase of \$350,000 for the Budget Fund 122, Appropriation WRA012, Unit 8487 to pay operational needs in Reclamation Ditch (Zone 9) to be financed by Fund 122 Fund Balance. Operations in Zone 9 incurred unbudgeted expenses due to the recent winter storm events. It also received an excavator (\$289,555) which was ordered in FY2021-22 but arrived in FY2022-23 due to delay in shipping due to Covid.

Expenses incurred related to the storm events will be submitted to FEMA's Public Assistance Program and and/or the California Disaster Assistance Act (CDAA). FEMA has indicated that it will reimburse 100% of expenses of debris clearing and emergency protective measures completed by February 25, 2023 and reimburse 75% for projects completed thereafter.

OTHER AGENCY INVOLVEMENT:

A long-term agreement on the industrial wastewater is current being negotiated among MCWRA, M1W and the City of Salinas.

FINANCING:

The adopted FY23 budget for CSIP operations (131-9300-WRA020-8491) does not have sufficient appropriations and will require an appropriation increase by \$600,000 to pay for to pay for Pond 3 expenses for the prior years and be funded by Fund 131 Fund Balances. The Pond 3 expenses will be recouped by increasing FY2023-24 Water Delivery Charges by \$30/acre-foot, assuming 20,000 ac/ft water delivered per year.

The adopted FY23 budget for Reclamation Ditch (Zone 9) (122-9300-WRA012-8487) does not have sufficient appropriations and will require an appropriation increase by \$350,000 to pay for operational expenses and be funded by Fund 122 Fund Balances. Total annual flood control assessments collected from Zone 9 is not sufficient to fund operation and maintenance activities of Reclamation Ditch (Zone 9) and MCWRA will need alternative revenue source to cover funding gaps.

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

Attachments:

1. MCWRA Fund Balance Summary

