

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

Resolution No. 22 - _____

Resolution of the Monterey County Board of Supervisors to:

Authorize and direct the Auditor-Controller to transfer up to \$193,700 in FY 2022-23 to the Monterey County Water Resources Agency's Pajaro Levee Fund, Fund 112, Appropriation Unit WRA002 from General Fund Contingencies, Fund 001, Appropriation Unit CAO020 (4/5 vote required).

WHEREAS, 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;

WHEREAS, 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");

WHEREAS, the PRFMA is the lead local agency to work with the United States Army Corps of Engineers in continuing the Pajaro River Federal Flood Control Project, which is currently maintained jointly by Zone 7 and MCWRA;

WHEREAS, a Cost Share Agreement has been proposed by PRFMA to allocate annual contributions of Watsonville, Zone 7, and MCWRA ("Cost Share Agencies"), and to fund operating expenses of the PRFMA by dedicating existing revenues generated within the boundaries of the PRFMA;

WHEREAS, under the Cost Share Agreement, contribution allocations in Fiscal Year (FY) 2022-23 are \$2,138,400 for Zone 7, \$49,900 for Watsonville, and \$443,700 for MCWRA and the annual contributions will be subject to an annual cost-of-living adjustment by the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-Hayward area during the previous fiscal year ending June 30;

WHEREAS, MCWRA is currently negotiating an Operations, Maintenance, Repair, Rehabilitation and Replacement Agreement ("OMRR&R Agreement") with the PRFMA to transfer MCWRA's assets, current responsibilities, operation and maintenance activities, capital projects, flood monitoring, and related emergency response, all of which relate to Infrastructure

in Zone 1/1A, to the PRFMA. In the event the OMRR&R Agreement is neither executed nor approved by December 31, 2022, MCWRA is not obligated to make any further contributions to the PRFMA;

WHEREAS, in FY 2022-23, for the amount of \$443,700 allocated to MCWRA, MCWRA will dedicate \$250,000 of Zone 1/1A assessment revenue to the PRFMA, and MCWRA requests the County to contribute up to \$193,700. County's annual contributions shall be continued to cover funding gaps for the next seven years with the final contribution in FY 2029-30;

WHEREAS, The funding gap will be calculated using variances between MCWRA's maximum cost share amount of \$443,700 and Zone1/1A assessments available for the PRFMA cost share. MCWRA needs parts of Zone 1/1A assessments to pay administrative expenses of Fund 112, as well as overhead expenses of WRA General Administration that is allocable to Fund 112. The administrative and overhead expenses include third party insurance cost, reimbursements to other government agencies and charges by other county service departments, which would be ineligible for reimbursements by PRFMA under the OMRRR Agreement. The annual contribution by the County to MCWRA for the Cost Share Agreement shall not exceed \$193,700;

WHEREAS, It is expected that as the operations and responsibilities of PRFMA grows, Zone 1/1A flood assessment that MCWRA can contribute to the PRFMA Cost Share Agreement will increase while County's contributions will decrease. The County's contribution to MCWRA for the Cost Share Agreement shall be terminated prior to FY 2029-30 and the County will be no longer obligated for its annual contributions if Zone1/1A assessments available for the Cost Share Agreement exceeds \$443,700 and there is no funding gap; and

WHEREAS, The Cost Share Agreement along with the OMRR&R Agreement is a necessary step for the PRFMA to take over operations and maintenance responsibilities of the Pajaro River levee system, currently undertaken by the Member Agencies. The MOU with the County will provide sufficient fundings for such transfer of operations and maintenance responsibilities by covering the funding gaps.

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

Authorize and direct the Auditor-Controller to transfer up to \$193,700 in FY 2022-23 to the Monterey County Water Resources Agency's Pajaro Levee Fund, Fund 112, Appropriation Unit WRA002 from General Fund Contingencies, Fund 001, Appropriation Unit CAO020 (4/5 vote required).

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____, and carried this 13th day September, 2022, by the following vote, to wit:

AYES:

NOES:

ABSENT:

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___ for the meeting on _____.

Dated:

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

By _____
, Deputy