



Monterey County

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Board Report

Legistar File Number: WRAG 17-020

January 30, 2017

Introduced: 1/23/2017

Version: 1

Current Status: Draft

Matter Type: WR General Agenda

Consider approving and recommending that the Monterey County Water Resources Agency Board of Supervisors:

- a. Authorize the Auditor Controller to amend the WRA FY 2015-16 Adopted Budget to correct an approved appropriation in Board Order WRAG 15-035 by decreasing appropriations in the amount of \$500,000 in Fund 303-9300-8267-WRA025-6613 and increasing appropriations in Fund 131-9300-8267-WRA020-6613 reclassifying the Fund appropriation for which the Pajaro Flood Risk Reduction Project Grant match was approved.

RECOMMENDATION:

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

Approve and recommend that the Monterey County Water Resources Agency Board of Supervisors:

- a. Authorize the Auditor Controller to amend the WRA FY 2015-16 Adopted Budget to correct an approved appropriation in Board Order WRAG 15-035 by decreasing appropriations in the amount of \$500,000 in Fund 303-9300-8267-WRA025-6613 and increasing appropriations in Fund 131-9300-8267-WRA020-6613 reclassifying the Fund appropriation for which the Pajaro Flood Risk Reduction Project Grant match was approved.

SUMMARY/DISCUSSION:

This transaction was requested by the Monterey County Auditor Controller's Office and reclassifies a previously approved FY 2015-16 Board Order WRAG 15-035 by modifying the Fund appropriation for the Pajaro Flood Risk Reduction Project Grant funding match required by the Agency. During the preparation of the FY 2015-16 Comprehensive Annual Financial Report (CAFR), the Monterey County Auditor Controller's Office informed the Agency that its historical practice of safe keeping its Rate Stabilization Reserve in the CSIP Debt Service Fund 303 is not in conformance with generally accepted accounting principles (GAAP) and recommended that these funds should not be co-mingled.

The Agency has been aware that its accounting structure for these two types of accounts needs to be modified and has been working with the Auditor's Office to make these structural changes. However, for reporting purposes these changes need to be reflected in the County's annual filing of the FY 2015-16 CAFR. This transaction corrects the previously approved Board Order WRAG 15-035 by showing Fund 131 CSIP Operating Fund as the fund appropriation for which the Pajaro Flood Risk Reduction Project Grant funding match was

previously approved. This is accurate as the Rate Stabilization Reserve was funded by CSIP water service/delivery revenue and was intended to be safe guarded for future unforeseen events thereby mitigating rate increases in water delivery/service charges.

OTHER AGENCY INVOLVEMENT:

The Agency worked with the County Auditor-Controller's Office on this transaction.

FINANCING:

There is no financial impact in receiving this report as this transaction only reclassifies the appropriation of \$500,000 from Fund 303 CSIP Debt Service to the appropriate classified account Fund 131 CSIP Operating account in conformance with GAAP.

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Approved by: _____
David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:

1. FY 2015-16 WRA Board Order
2. FY 2015-16 BOS Board Order
3. Board Order