



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: WRAG 17-218

September 19, 2017

Introduced: 9/13/2017

Current Status: Agenda Ready

Version: 1

Matter Type: WR General Agenda

- a. Approve a budget amendment previously approved by the Water Resources Board of Supervisor on July 25, 2017- WRAG17-174- which requires additional clarification for the Auditor-Controller's Office to complete the accounting transaction for the Monterey County Water Resources Agency's FY 2016-17 Adopted Budget transferring the Rate Stabilization Reserve of \$1,500,000 from Fund 303 - Debt Service Fund Unassigned Fund Balance to Fund 131 CSIP Operating Fund balance; and
- b. Authorize the Auditor-Controller's Office to amend the Water Resources Agency FY 2016-17 Adopted Budget for Fund 303 - CSIP Debt Service Fund to increase appropriation with object code 7614 Operating Transfer Out (303-9300-8267-WRA025-7614) for total of \$1,500,000 financed by Unassigned Fund Balance 303-3101. (4/5th vote required)

RECOMMENDATION:

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

- a. Approve a budget amendment previously approved by the Water Resources Board of Supervisor on July 25, 2017- WRAG17-174- which requires additional clarification for the Auditor-Controller's Office to complete the accounting transaction for the Monterey County Water Resources Agency's FY 2016-17 Adopted Budget to transfer the Rate Stabilization Reserve of \$1,500,000 from Fund 303 - Debt Service Fund Unassigned Fund Balance to Fund 131 CSIP Operating Fund balance; and
- b. Authorize the Auditor-Controller's Office to amend the Water Resources Agency FY 2016-17 Adopted Budget for Fund 303 - CSIP Debt Service Fund to increase appropriation with object code 7614 Operating Transfer Out (303-9300-8267-WRA025-7614) for total of \$1,500,000 financed by Unassigned Fund Balance 303-3101. (4/5th vote required)

SUMMARY/DISCUSSION:

This transaction is part of previously approved Water Resources Agency Board of Supervisor board report WRAG 17-174 and provides additional clarification as shown in item (A) above related to the transfer of \$1,500,000 from Fund 303 CSIP Debt Service Fund to Fund 131 - CSIP Operating Fund. It is the result of a review performed by the Auditor-Controller's Office during Fiscal Year 2016-17. The Auditor-Controller's Office has requested the Water Resources Agency to change the way it transfers and allocates special revenues from Zone 2B Fund 119 CSIP Revenue Transfer Fund as prescribed in the attached Resolution 00-172 because it does not follow current Generally Accepted Accounting Principles (GAAP). Section A to D transfer Zone 2B special assessment revenues from Fund 119 - Water Resources - Zone #6 to Fund 131 - CSIP Operating Fund, Fund 132 - SVRP Operating Fund, and Fund 303 - Debt Service Fund to pay for the CSIP Bureau of Reclamation loan. Section E and F transfer the Rate Stabilization Reserve of \$1,500,000 out of Fund 303 - CSIP Debt Service Unassigned Fund Balance to Fund 131 - CSIP Operating Fund. This new methodology of transferring the Zone 2B special assessment revenue still follows Resolution 00-172

and it provides a more transparent method following current GAAP. In addition, it stops the co-mingling of the Rate Stabilization Reserve in a Debt Service Fund as it was money left over from the CSIP construction in 1998; therefore, the amount of \$1,500,000 should be transferred and stayed in Fund 131 - CSIP Operating Fund.

OTHER AGENCY INVOLVEMENT:

The Agency worked with the Auditor-Controller's Office in the preparation of this report.

FINANCING:

There is no financial impact in receiving this report.

Prepared by: Cathy Paladini, Finance Manager II, (831) 755-4860

Approved by:

David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:

1. Board Resolution
2. Board Resolution dated July 25, 2017
3. Resolution 00-172