



Monterey County

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Board Report

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

- a. Approve and adopt a FY 2018-19 cost of living adjustment (COLA) increase of 3.6% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP), the Salinas Valley Reclamation Project (SVRP) and the CSIP water delivery and water service charge; and,
- b. Set and hold a Public Hearing date on June 5, 2018 at 1:30 p.m. to consider adopting assessment rate charges with a 3.6% increase for Zones 2B, 2Y and 2Z for Fiscal Year 2018-2019, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and,
- c. Direct the Clerk of the Board of Supervisors to publish a hearing notice in the CALIFORNIAN at least ten (10) days prior to the date set for the hearing.

RECOMMENDATION:

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

- a. Approve and adopt a FY 2018-19 cost of living adjustment (COLA) increase of 3.6% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and the CSIP water delivery and water service charge; and
- b. Set and hold a Public Hearing date on June 5, 2018 @ 1:30 PM to consider adopting assessment rate charges with a 3.6% COLA increases for Zones 2B, 2Y and 2Z for Fiscal Year 2018-2019, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and,
- c. Direct the Clerk of the Board to publish a hearing notice in the CALIFORNIAN at least ten (10) days prior to the date set for the hearing.

SUMMARY/DISCUSSION:

The Water Resources Agency requests the minimum annual 3.6% COLA increase for Zones 2B The Castroville Seawater Intrusion Project (CSIP), Zones 2Y, the Operations and Maintenance of the Castroville Seawater Intrusion Project (CSIP), and Zone 2Z the Operations and Maintenance of the Salinas Valley Reclamation Project (SVRP). The CSIP Water Delivery charge of \$5.83 will increase to \$6.04 and the Water Service charge of \$67.82 will increase to \$70.26.

Zones 2B, 2Y, and 2Z were established to provide revenue to construct, operate and maintain the CSIP and the SVRP, which includes debt service for the municipal bonds, a State Revolving Fund loan, and a Small Reclamation Projects loan from the U.S. Bureau of Reclamation that funded the construction of the projects. The operation of the CSIP and SVRP assists in the reduction of seawater intrusion in the groundwater aquifers in the Salinas Valley by providing an alternative source

of irrigation water in the form of recycled water. This will reduce the reliance on groundwater pumping in the northern portion of the Salinas Valley.

The MCWRA Act and Ordinances 3635 and 3636 require the adoption of annual resolutions by the Agency Board of Supervisors to continue the assessments, water delivery, and water service charges for the CSIP and SVRP.

OTHER AGENCY INVOLVEMENT:

No other Agencies were involved in preparing this report.

FINANCING:

The requested COLA increase of 3.6% will increase FY 2018-19 revenues as follows:

- Zone 2B Fund 119 will be closed due to new accounting practice for FY 2018-19. Based on past transferring history, 79% of Zone 2B revenue will transfer to Fund 131 and 21% to Fund 132.
- Zone 2Y Fund 131 will increase revenues by \$2,859,074 bringing total revenues from \$1,053,971 to \$ 3,913,045. which includes 79% from Fund 119 revenue of \$2,821,132.
- Zone 2Z Fund 132 will increase revenues by \$865,695 bringing total revenues from \$3,215,953 to \$ 4,081,648, which includes 21% from Fund 119 revenue of \$749,921
- Water Delivery Fee will increase from \$5.83 to \$6.04 per acre foot to a total revenue increase of \$4,772 bringing total revenues from \$132,566 to 137,338.
- Water Service Fee will increase from \$67.82 to \$70.19 per acre foot to a total revenue increase of \$55,545 bringing total revenues from \$1,542,905 to \$1,598,450.

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

Attachments:

1. Notice of Public Hearing
2. Board Order
3. Resolution