



Monterey County

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Board Report

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Matter Type: Budget Committee

Support amending the Water Resources Agency's FY 2018-19 Adopted Budget by increasing appropriations in various funds financed by unassigned fund balance in the total amount of \$612,799 to cover unforeseen expenditures during the building of the annual budget.

RECOMMENDATION:

It is recommended that the Budget Committee:

Support amending the Water Resources Agency's FY 2018-19 Adopted Budget as follows:

- a. Increase appropriations by \$210,179 in the WRA Administration Fund (111-9300-8267-WRA001) financed by unassigned fund balance;
- b. Increase appropriations by \$35,590 in the Pajaro Levee Fund (112-9300-8484-WRA002) financed by unassigned fund balance;
- c. Increase appropriations by \$197,958 in the Dam Operations Fund (116-9300-8485-WRA006) financed by unassigned fund balance;
- d. Increase appropriations by \$5,978 in the Soledad Storm Drain Fund (121-9300-8486-WRA011) financed by unassigned fund balance;
- e. Increase appropriations by \$76,619 in the Reclamation Ditch Fund (122-9300-8487-WRA012) financed by unassigned fund balance;
- f. Increase appropriations by \$1,274 in the San Lorenzo Creek Fund (124-9300-8488-WRA014) financed by unassigned fund balance;
- g. Increase appropriations by \$9,633 in the Moro Cojo Slough Fund (127-9300-8489-WRA017) financed by unassigned fund balance;
- h. Increase appropriations by \$34,885 in the Hydro-Electric Operations Fund (130-9300-8490-WRA022) financed by unassigned fund balance;
- i. Increase appropriations by \$19,945 in the CSIP Operations Fund (131-9300-8491-WRA020) financed by unassigned fund balance; and
- j. Increase appropriations by \$20,737 in the SRDF Operations Fund (134-9300-8493-WRA028) financed by unassigned fund balance.

SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency (Agency) needs to increase appropriations in various funds to cover unforeseen expenditures during the building of the annual budget. The Agency is contracting out external recruiters up to \$25,000 for the Deputy General Manager (DGM) position that is currently vacant and up to \$41,000 for the General Manager (GM) position that is due to be vacant after December 31, 2018. Also, Risk Management had negotiated a new General Liability (GL) insurance for the Agency through CSAC Excess Insurance Authority. The additional cost of this

new policy and coverage is \$146,796. The new insurance covers GL for the entire Agency and includes pollution coverage for the CSIP area.

During the budget process, the Agency did not budget for charges from the Monterey County Information Technology Department (ITD) due to a miscommunication on the department's charging procedure. It is estimated that the Agency will receive charges for IT regular services of around \$400,000 in the current fiscal year. The Agency did not foresee these charges during the building of the budget and recommends the use of unassigned fund balance. The Agency will incorporate the IT and GL costs during the preparation of the FY 2019-20 budget.

OTHER AGENCY INVOLVEMENT:

The County Administration Office has reviewed this recommendation.

FINANCING:

Due to unexpected and unforeseen events happening such as recruitment of DGM and GM positions, CSAC General Liability insurance increase, and ITD regular service charge, Water Resources Agency needs to increase appropriations in various funds to cover such expenditures for FY 2018-19 Adopted Budget for the total amount of \$612,799 financed by unassigned fund balance. The Agency has sufficient fund balance to support such increase in appropriations. The Agency estimates unassigned fund balance of \$16.8 million for the end of the fiscal year.

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Approved by: _____
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Attachments:

FY 2018-19 Budget Amendment # 1 Summary