



Monterey County

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: WRAG 19-032

April 15, 2019

Introduced: 4/8/2019

Version: 1

Current Status: Agenda Ready

Matter Type: WR General Agenda

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

- a. Approve and adopt a FY 2019-20 cost of living adjustment (COLA) increase of 3.5% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP);
- b. Approve and adopt a FY 2019-20 COLA increase of 3.5% for the CSIP water delivery charge and water service charge;
- c. Set and hold a public hearing on June 4, 2019 at 1:30 p.m. to consider adopting assessment rate charges; and
- d. Direct the Clerk of the Board of Supervisors to publish a hearing notice at least ten days prior to the date set for the hearing.

RECOMMENDATION:

Recommend that the Monterey County Water Resources Agency Board of Supervisors:

- a. Approve and adopt a FY 2019-20 cost of living adjustment (COLA) increase of 3.5% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP);
- b. Approve and adopt a FY 2019-20 COLA increase of 3.5% for the CSIP water delivery charge and water service charge;
- c. Set and hold a public hearing on June 4, 2019 at 1:30 p.m. to consider adopting assessment rate charges; and
- d. Direct the Clerk of the Board of Supervisors to publish a hearing notice at least ten days prior to the date set for the hearing.

SUMMARY/DISCUSSION:

This board report requests the minimum annual 3.5% COLA increase for Zone 2B (CSIP project), Zone 2Y (operations and maintenance of CSIP), and Zone 2Z (operations and maintenance of the SVRP). The CSIP water delivery charge of \$6.04 will increase to \$6.25, and the water service charge of \$70.26 will increase to \$72.72.

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 Agency Act (Water Code § 52) and Ordinances Nos. 3635 and 3636 require the adoption of annual resolutions by the Agency Board of Supervisors to continue the assessments, water delivery charge, and water service charge for the CSIP and SVRP.

OTHER AGENCY INVOLVEMENT:

No other agencies were involved in preparing this report.

FINANCING:

The requested COLA increase of 3.5% will increase FY 2019-20 estimated revenues as follows:

- Zone 2B Fund 119 was closed due to new accounting practice in FY 2018-19. Based on past transferring history, 79% should go to Fund 131 and 21% to Fund 132.
- Zone 2Y Fund 131 will increase estimated revenues by \$136,957 bringing total estimated revenues from \$3,913,045 to \$4,050,002.
- Zone 2Z Fund 132 will increase estimated revenues by \$142,858 bringing total estimated revenues from \$4,081,648 to \$4,224,506.
- Water Delivery Fee will increase from \$6.04 to \$6.25 per acre foot to a total estimated revenue increase of \$4,772 bringing total estimated revenues from \$137,338 to 142,145.
- Water Service Fee will increase from \$70.19 to \$72.72 per acre foot to a total estimated revenue increase of \$55,946 bringing total estimated revenues from \$1,598,450 to \$1,654,395.

Prepared by: Fabricio Chombo, Finance Manager II, (831) 755-4860

Approved by: _____
Shauna Lorance, Interim General Manager, (831) 755-4860

Attachments:

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