



# Monterey County

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

## Board Report

Legistar File Number: WRAG 20-144

April 03, 2020

**Introduced:** 3/26/2020

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** WR General Agenda

Support approval and adoption of:

- a. A FY 2020-21 cost of living adjustment (COLA) increase of 2.9% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and
- b. A FY 2020-21 COLA increase of 2.9% for the CSIP water delivery charge and water service charge; and
- c. Setting and holding a public hearing on June 2, 2020 at 1:30 p.m. to consider adopting assessment rate charges; and
- d. Directing 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:

It is recommended that the Monterey County Water Resources Agency Finance Committee support approval and adoption of:

- a. A FY 2020-21 cost of living adjustment (COLA) increase of 2.9% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP); and
- b. A FY 2020-21 COLA increase of 2.9% for the CSIP water delivery charge and water service charge; and
- c. Setting and holding a public hearing on June 2, 2020 at 1:30 p.m. to consider adopting assessment rate charges; and
- d. Directing 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 2.9% 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 \$6.25 will increase to \$6.43, and the water service charge of \$72.72 will increase to \$74.83.

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:

None

FINANCING:

The requested COLA increase of 2.9% will increase FY 2020-21 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.
- Revenue for Zone 2B will increase by an estimated \$106,830 bringing total transferable revenues from \$3,683,797 to \$3,790,627.
- Zone 2Y Fund 131 will increase estimated revenues by \$32,575 bringing total estimated revenues from \$1,123,278 to \$1,155,853.
- Zone 2Z Fund 132 will increase estimated revenues by \$99,547 bringing total estimated revenues from \$3,432,657 to \$3,532,204.
- Water Delivery Fee will increase from \$6.25 to \$6.43 per acre foot to a total estimated revenue increase of \$4,115 bringing total estimated revenues from \$141,904 to \$146,019 based on 22,700 AF delivered.
- Water Service Fee will increase from \$72.72 to \$74.83 per acre foot to a total estimated revenue increase of \$47,872 bringing total estimated revenues from \$1,650,759 to \$1,698,631 based on 22,700 AF delivered.

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Attachments:

1. Notice of Public Hearing