



TODAY'S ACTION

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

- a. Authorize the County of Monterey to issue a short-term loan, up to \$1,000,000, to the Monterey County Water Resources Agency, contingent upon the Agency signing an Agreement with California Department of Water Resources for reimbursement of the non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase; and
- b. Authorize and direct the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2020-21 adopted budget to increase appropriations in the amount of \$1,000,000; financed by a release of \$1,000,000 from the Cannabis Assignment fund balance BSA 001-3132 (4/5ths vote required); and
- c. Authorize and direct the Auditor-Controller to amend the Water Resources Agency's Pajaro River Fund 112-9300-WRA002-8484 FY 2020-21 adopted budget to increase appropriations and revenues in the amount of \$1,000,000 financed by an operating transfer from 001-1050-CAO017-8038 (4/5ths vote required).



Prior BOD/BOS Action

- On June 15, 2020 the Agency's BOD received a presentation on the request for a loan from the County and approved moving forward.
- On June 24, 2020 the request was brought to the County's Budget Committee.



Financial Impact

- To the Agency;
 - Will provide the funding shortfall for the “Design Phase” of the Pajaro River Flood Risk Management Project and create a liability from the Agency to the County to be repaid at the time reimbursement is received from DWR.
- To the County;
 - Will reduce the balance in the Cannabis Assignment to an estimated \$26.6 million.

Discussion

- On December 12, 2019 the USACE signed off on the Director's Report which moved project forward.
- Section 221 MOU Agreement between USACE (Federal) MCWRA and Zone 7 (Non-Federal), and identifies a total project cost of \$7.1M.
- Agreement splits costs 65/35 Federal/Non-Federal Sponsor.
- Non-Federal Sponsor split costs 50/50.
- Non-Federal Sponsors are working on signing an agreement with DWR for State Subventions which will reimburse 70% of Non-Federal Share.

Discussion (Cont'd)

Water Resources Pajaro River Levee		
Total Project Costs		\$ 7,100,000
USACE/Federal share	65%	\$ 4,615,000
Non-Federal Sponsor Share (Zone 7/Water Resources)	35%	\$ 2,485,000
Non-Federal Sponsor Share Funding		
Zone 7	50%	\$ 1,242,500
WRA	50%	\$ 1,242,500
		\$ 2,485,000
WRA Share Funding		
Subvention funds	70%	\$ 869,750
WRA funds	30%	\$ 372,750
		\$ 1,242,500

Discussion (Cont'd)

- WRA estimates the request for the \$1.2M to be received at once or split by Federal FY20 & FY21 with two request, one before October and another shortly after.
- WRA does not have the revenue streams or Fund Balance to cover the full \$1.2M share.
- WRA allocated \$300K in FY21 Budget for related Project costs through usage of Fund Balance.
- Funding for the \$300K depleted FB to an estimated \$8k at the end of FY21.



Discussion (Cont'd)

- Agreement with California Department of Water Resources will reimburse 70% of total Project costs to Non-Federal Sponsor.
- Reimbursements are estimated to be received 6-12 months after expenditures have been incurred.
- WRA recommends loan be contingent upon finalization of agreement with DWR.
- “Draft” agreement template is going to WRA’s Finance Committee on July 10, 2020 for review/approval.

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