



## Monterey County Board of Supervisors

### Board Order

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1st Floor  
Salinas, CA 93901  
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[www.co.monterey.ca.us](http://www.co.monterey.ca.us)

#### *Special Joint Meeting of the Monterey County Board of Supervisors and Monterey County Water Resources Agency Board of Supervisors*

Acting as the Board of Supervisors a motion was made by Supervisor John M. Phillips, seconded by Supervisor Mary L. Adams as amended to:

- a. **Resolution No.: 20 – 338** | Authorizing 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. Authorizing and directing the Auditor-Controller to amend the County's Administrative Office 001-1050-CA0017-8038 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 as amended repayment of the loan shall be placed back into the Cannabis Assignment fund balance BSA 001-3132;

**PASSED AND ADOPTED** on this 7<sup>th</sup> day of July 2020, by roll call vote taken pursuant to Government Code 54953:

AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams

NOES: None

ABSENT: None

Acting as the Board of Supervisors of the Monterey County Water Resources Agency a motion was made by Supervisor John M. Phillips, seconded by Supervisor Mary L. Adams to:

c. **Resolution No.: 20 – 337** | Authorizing and directing 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).

**PASSED AND ADOPTED** on this 7<sup>th</sup> day of July 2020, by roll call vote taken pursuant to Government Code 54953:

AYES: Supervisors Phillips, Lopez, Parker and Adams

NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting July 7, 2020.

Dated: October 14, 2020

File ID: WRAG 20-289

Agenda Item No.: 2

Valerie Ralph, Clerk of the Board of Supervisors  
County of Monterey, State of California



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Joel G. Pablo, Deputy

**Before the Board of Supervisors in and for the  
County of Monterey, State of California**

**Resolution No. 20 - 338**

Resolution of the Board of Supervisors of the Monterey County: )  
)  
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; )  
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)..... )

**WHEREAS**, the Pajaro River Federal Flood Control Project was built in 1949 by the United States Army Corps of Engineers ("USACE") and is maintained jointly by the Santa Cruz County Flood Control and Water Conservation District – Zone 7 ("Zone 7") and the Monterey County Water Resources Agency ("MCWRA"). The USACE has recently completed the necessary steps for the Project to enter into the Design Phase with USACE. The Director's Report signed and released on December 12, 2019, by the USACE Headquarters, confirms the federal authorization;

**WHEREAS**, USACE has developed a draft Design Agreement ("DA") that will need to be signed by both non-federal sponsors (Zone 7 and MCWRA). The DA describes the financial commitment of the federal government and the non-federal sponsors, who will share in the costs to complete the preconstruction engineering and design under the first construction contract. The cost-share allocation is 65% federal and 35% non-federal. The non-federal sponsors' share will be split 50/50 between Zone 7 and MCWRA. The DA describes a projected cost estimate of \$7,100,000, the federal government's share projected to be \$4,615,000 and the non-federal sponsor's share to be \$2,485,000, over multiple fiscal years. MCWRA's projected share is \$1,242,500;

**WHEREAS**, the Federal FY20 Work Plan budgetary assignments were finalized on February 10, 2020, and the Project has secured \$1.8 million in federal investment towards PED (Design phase work). This appropriation represents the 65% cost-share requirement of the federal government to support initial design work for the first construction contract. A 35% cost-share allocation will be requested from the non-federal sponsors, requiring \$969,231 in joint non-federal sponsor funding that is expected to be requested by the USACE upon signing a DA. MCWRA's match share will be \$484,616 for Federal FY20, 50% of the \$969,231;

**WHEREAS**, the USACE has proposed another appropriation to the Project for the FY21 Work Plan of \$2.915 million to continue the design phase. If this is awarded (presumably early next calendar year), there will be an additional joint funding request from the non-federal sponsors of \$1.515 million to support the project. MCWRA's 50% match will be \$757,884 for Federal FY21;

**WHEREAS**, the Project is currently in negotiations on a funding agreement for State

subventions authorization. The proposed cost share from the State is 70% of the non-federal eligible costs. The funding agreement cannot be executed until program funds have been identified, which may happen as early as July 1, 2020, but could occur at a later date depending on the bond funding source. While 70% of all non-federal sponsor payments will be reimbursed under the State subventions authorization (including the federal cost-share payments mentioned above), the reimbursements under this agreement are not expected until late 2020 or early 2021;

**WHEREAS**, the MCWRA total non-federal sponsor cost-share identified in the FY20 and FY21 Work Plans total \$1.243 million. The total amount may be requested by USACE as early as October 1, 2020. The MCWRA FY 2020-21 approved budget identifies total revenues of \$515,000 in Fund 112, which fund current administration, operations, and maintenance of the Pajaro Levee. MCWRA FY 2020-21 approved budget identified \$300,000 for Project costs, through the use of fund balance. The utilization of fund balance is estimated to result in a FY 2020-21 ending fund balance of \$8,000 in Fund 112. Therefore, the MCWRA will have a shortfall of up to \$1.0 million if both funding requests are received within FY 2020-21. The State Subventions Authorization that allows the MCWRA to be reimbursed for 70% of the costs is likely to be received between 6 to 12 months after the costs have been incurred and would provide the funding to repay the short-term loan. There will be an amount of approximately \$81,000 that is not expected to be reimbursed from the Subventions Program, and a funding source for the cost will be identified in the FY 2021-22 recommended budget; and

**WHEREAS**, this report requests a \$1.0 million short-term loan from the County to cover MCWRA's share of non-federal sponsor for the Project as this is the currently anticipated funding shortage. The loan will be repaid to the County at the time the State Subvention Funds are received, which is estimated to be between 6 to 12 months from the time the costs are incurred.

**NOW THEREFORE BE IT RESOLVED**, the Board of Supervisors of the Monterey County does hereby:

- 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;
- 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).

**PASSED AND ADOPTED** on this 7<sup>th</sup> day of July 2020, by roll call vote taken pursuant to Government Code 54953:

AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams

NOES: None

ABSENT: None

AYES: Supervisors Phillips, Lopez, Parker and Adams

NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting July 7, 2020.

Dated: October 14, 2020

File ID: WRAG 20-289

Agenda Item No.: 2

Valerie Ralph, Clerk of the Board of Supervisors  
County of Monterey, State of California



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Joel G. Pablo, Deputy

**MONTEREY COUNTY WATER RESOURCES AGENCY BOARD  
OF SUPERVISORS**

**Resolution No. 20 - 337**

Resolution of the Board of Supervisors of the Monterey County Water Resources Agency to:

- a. Authorize the Monterey County Water Resources Agency to request a short-term loan, up to \$1,000,000, with the County of Monterey, 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;
- b. 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).....

**WHEREAS**, the Pajaro River Federal Flood Control Project was built in 1949 by the United States Army Corps of Engineers ("USACE") and is maintained jointly by the Santa Cruz County Flood Control and Water Conservation District – Zone 7 ("Zone 7") and the Monterey County Water Resources Agency ("MCWRA"). The USACE has recently completed the necessary steps for the Project to enter into the Design Phase with USACE. The Director's Report signed and released on December 12, 2019, by the USACE Headquarters, confirms the federal authorization;

**WHEREAS**, USACE has developed a draft Design Agreement ("DA") that will need to be signed by both non-federal sponsors (Zone 7 and MCWRA). The DA describes the financial commitment of the federal government and the non-federal sponsors, who will share in the costs to complete the preconstruction engineering and design under the first construction contract. The cost-share allocation is 65% federal and 35% non-federal. The non-federal sponsors' share will be split 50/50 between Zone 7 and MCWRA. The DA describes a projected cost estimate of \$7,100,000, the federal government's share projected to be \$4,615,000 and the non-federal sponsor's share to be \$2,485,000, over multiple fiscal years. MCWRA's projected share is \$1,242,500;

**WHEREAS**, the Federal FY20 Work Plan budgetary assignments were finalized on February 10, 2020, and the Project has secured \$1.8 million in federal investment towards PED (Design phase work). This appropriation represents the 65% cost-share requirement of the federal government to support initial design work for the first construction contract. A 35% cost-share allocation will be requested from the non-federal sponsors, requiring \$969,231 in joint non-federal sponsor funding that is expected to be requested by the USACE upon signing a DA. MCWRA's match share will be \$484,616 for Federal FY20, 50% of the \$969,231;

**WHEREAS**, the USACE has proposed another appropriation to the Project for the FY21 Work Plan of \$2.915 million to continue the design phase. If this is awarded (presumably early next calendar year), there will be an additional joint funding request from the non-federal sponsors of \$1.515 million to support the project. MCWRA's 50% match will be \$757,884 for Federal FY21;

**WHEREAS**, the Project is currently in negotiations on a funding agreement for State

subventions authorization. The proposed cost share from the State is 70% of the non-federal eligible costs. The funding agreement cannot be executed until program funds have been identified, which may happen as early as July 1, 2020, but could occur at a later date depending on the bond funding source. While 70% of all non-federal sponsor payments will be reimbursed under the State subventions authorization (including the federal cost-share payments mentioned above), the reimbursements under this agreement are not expected until late 2020 or early 2021;

**WHEREAS**, the MCWRA total non-federal sponsor cost-share identified in the FY20 and FY21 Work Plans total \$1.243 million. The total amount may be requested by USACE as early as October 1, 2020. The MCWRA FY 2020-21 approved budget identifies total revenues of \$515,000 in Fund 112, which fund current administration, operations, and maintenance of the Pajaro Levee. MCWRA FY 2020-21 approved budget identified \$300,000 for Project costs, through the use of fund balance. The utilization of fund balance is estimated to result in a FY 2020-21 ending fund balance of \$8,000 in Fund 112. Therefore, the MCWRA will have a shortfall of up to \$1.0 million if both funding requests are received within FY 2020-21. The State Subventions Authorization that allows the MCWRA to be reimbursed for 70% of the costs is likely to be received between 6 to 12 months after the costs have been incurred and would provide the funding to repay the short-term loan. There will be an amount of approximately \$81,000 that is not expected to be reimbursed from the Subventions Program, and a funding source for the cost will be identified in the FY 2021-22 recommended budget; and

**WHEREAS**, this report requests a \$1.0 million short-term loan from the County to cover MCWRA's share of non-federal sponsor for the Project as this is the currently anticipated funding shortage. The loan will be repaid to the County at the time the State Subvention Funds are received, which is estimated to be between 6 to 12 months from the time the costs are incurred.

**NOW THEREFORE BE IT RESOLVED**, the Board of Supervisors of the Monterey County Water Resources Agency does hereby:

- c. Authorize the Monterey County Water Resources Agency to request a short-term loan, up to \$1,000,000, with the County of Monterey, 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;
- d. 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).

**PASSED AND ADOPTED** on this 7<sup>th</sup> day of July 2020, by roll call vote taken pursuant to Government Code 54953:

AYES: Supervisors Phillips, Lopez, Parker and Adams  
 NOES: None  
 ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting July 7, 2020.

Dated: October 14, 2020  
 File ID: WRAG 20-289  
 Agenda Item No.: 2

Valerie Ralph, Clerk of the Board of Supervisors  
 County of Monterey, State of California

  
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 Joel G. Pablo, Deputy