



Monterey County

Item No.

Board Report

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

Legistar File Number: WRAFIN 21-026

April 02, 2021

Introduced: 3/25/2021

Current Status: Agenda Ready

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Matter Type: WRA Finance Item

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

- a. Approve and adopt a FY 2021-22 cost of living adjustment (COLA) increase of 1.6% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration;
- b. Set and hold a public hearing on June 2, 2021 at 1:30 PM to consider approving and adopting assessment rate charges; and
- c. Direct the Clerk of the Board of Supervisors to publish a hearing notice once a week for two consecutive weeks prior to the date set for the hearing.

RECOMMENDATION:

It is recommended that the Finance Committee support recommending that the Monterey County Water Resources Agency Board of Supervisors:

- a. Approve and adopt a FY 2021-22 cost of living adjustment (COLA) increase of 1.6% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration;
- b. Set and hold a public hearing on June 2, 2021 at 1:30 PM to consider approving and adopting assessment rate charges; and
- c. Direct the Clerk of the Board of Supervisors to publish a hearing notice once a week for two consecutive weeks prior to the date set for the hearing.

SUMMARY/DISCUSSION:

This report reflects the recently published 2021 Cost of Living Adjustment (COLA) of 1.6% for Zone 2C Operations and Maintenance and Administration (O&M). Ordinance No. 4203 governs Zone 2C assessments which the electorate of the Agency's Zone 2C approved for the Salinas Valley Water Project (SVWP).

Zone 2C assessments have been historically insufficient to fund Operations and Maintenance at the two dams. These shortages have resulted in Agency deferring a total of 32 repair projects totaling approximately \$85. This combined with requirements from the State of California Department of Water Resources Division of Safety of Dams (DSOD) to repair or replace the San Antonio Spillway red by November 2024 with an estimated cost of approximately \$60 million has resulted in total unfunded costs of \$145 million. The 1.6% increase will fund some ongoing Operations & Maintenance costs but will not provide the funding necessary to address the needs of Zone 2C.

In addition, this report requests that the Water Resources Agency Board of Directors recommend that the Water Resources Board of Supervisors set and hold a public hearing for June 2, 2021 at 1:30 PM to consider approving and adopting assessment rates as set forth in the Notice of Public Hearing

relating to Zone 2C for Fiscal Year 2021-22, all identified in the Public Notice. Notices will be published once a week for two consecutive weeks prior to the date set for this hearing.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

The requested COLA increase of 1.6% will increase FY 2021-22 Zone 2C estimated revenues as follows:

- Fund 116 O&M revenues will increase by an estimated \$55,849 from \$3,490,592 to \$3,546,441
- Fund 116 Administration revenues will increase by an estimated \$6,448 from \$402,993 to \$409,441
- The COLA increase does not impact the revenue collected for the SVWP Spillway and Diversion facility
- Total COLA increase to Fund 116 O&M and Administrative Funds is estimated at \$62,297
- The total revenue for Zone 2C assessment is estimated at \$5,079,745.

Prepared by: Erica Leal, Accountant III, (831) 755-4860

Approved by: Brent Buche, General Manager (831) 755-4860

Attachments:

Public Hearing Notice