

Monterey County

*Monterey County Government Center
Board of Supervisors Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901*



Meeting Agenda

Tuesday, February 9, 2021

9:00 AM

**IMPORTANT COVID-19 NOTICE ON PAGE 2-4
AVISO IMPORTANTE SOBRE COVID-19 EN LA PAGINA 2-4**

<https://montereycty.zoom.us/j/224397747>

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

NOTE: All agenda titles related to numbered agenda items are live web links. Click on the title to be directed to the corresponding Board Report.

PUBLIC COMMENT: Members of the public may address comments to the Board concerning each agenda item. The timing of public comment shall be at the discretion of the Chair.

Please refer to the separate agenda for the Board of Supervisors

10:30 A.M. - Call to Order

Roll Call

Pledge of Allegiance

Additions and Corrections by Clerk

The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

Public Comment

Consent Calendar

1.
 - a. Adopt a resolution authorizing the Auditor-Controller to amend the FY 2020-21 Adopted Budget by increasing appropriations in the County's Administrative Office's Other Financing Uses Budget Unit (001-1050-CAO017-8038) by \$399,499, financed by a release of the Cannabis Tax Assignment, Balance Sheet Account 3132 (4/5ths vote required); and
 - b. Adopt a resolution authorizing the Auditor-Controller to amend the Water Resources Agency's Castroville Seawater Intrusion Project Operations Fund (131-9300-WRA020-8491) FY 2020-21 adopted budget to increase appropriations in the amount of \$2,640,567, financed by a transfer from 001-1050-CAO017-8038 in the amount of \$399,499, and an increase in estimated revenues in the amount of \$2,241,068 (4/5ths vote required).

Attachments: [Board Report](#)
[1. Tables 1 and 2](#)
[BOS Resolution](#)
[MCWRA BOS Resolution](#)

Adjournment



Monterey County

Item No.1

Board Report

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

Legistar File Number: WRAG 21-021

February 09, 2021

Introduced: 1/28/2021

Current Status: Agenda Ready

Version: 1

Matter Type: WR General Agenda

- a. Adopt a resolution authorizing the Auditor-Controller to amend the FY 2020-21 Adopted Budget by increasing appropriations in the County's Administrative Office's Other Financing Uses Budget Unit (001-1050-CAO017-8038) by \$399,499, financed by a release of the Cannabis Tax Assignment, Balance Sheet Account 3132 (4/5ths vote required); and
- b. Adopt a resolution authorizing the Auditor-Controller to amend the Water Resources Agency's Castroville Seawater Intrusion Project Operations Fund (131-9300-WRA020-8491) FY 2020-21 adopted budget to increase appropriations in the amount of \$2,640,567, financed by a transfer from 001-1050-CAO017-8038 in the amount of \$399,499, and an increase in estimated revenues in the amount of \$2,241,068 (4/5ths vote required).

RECOMMENDATION:

- a. It is recommended that the Monterey County Board of Supervisors:

Adopt a resolution authorizing the Auditor-Controller to amend the FY 2020-21 Adopted Budget by increasing appropriations in the County's Administrative Office's Other Financing Uses Budget Unit (001-1050-CAO017-8038) by \$399,499, financed by a release of the Cannabis Tax Assignment, Balance Sheet Account 3132 (4/5ths vote required).

- b. It is recommended that the Monterey County Water Resources Agency Board of Supervisors:

Adopt a resolution authorizing the Auditor-Controller to amend the Water Resources Agency's Castroville Seawater Intrusion Project Operations Fund (131-9300-WRA020-8491) FY 2020-21 adopted budget to increase appropriations in the amount of \$2,640,567, financed by a transfer from 001-1050-CAO017-8038 in the amount of \$399,499, and an increase in estimated revenues in the amount of \$2,241,068 (4/5ths vote required).

SUMMARY/DISCUSSION:

On May 19, 2020 the Monterey County Water Resources Agency (MCWRA) Board of Supervisors approved a recommendation for the MCWRA to enter into an agreement with the State Water Resources Control Board (SWRCB) to receive and implement a Proposition 1 Implementation Grant for the destruction of approximately 105 wells in the Lower Salinas Valley within Monterey County. Destroying abandoned or inactive wells in the project area will prevent conduits that are allowing vertical migration of seawater- and nitrate-contaminated groundwater to drinking water supply wells in the Salinas Valley Groundwater Basin.

Financing for the *Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley*

project (Project) totals \$9,125,524 over a three-year period with 54% funded by the State Water Resources Control Board grant, and the remaining 46% funded as a local match that is met through a combination of MCWRA in-kind services totaling \$1,534,495 and additional funds totaling \$2,663,300 over the three-year period as shown in Tables 1 and 2 in Attachment 1. MCWRA will meet the in-kind services amount of \$1,534,495 through work performed by MCWRA staff. The additional funds requirement of \$2,663,300 became a challenge as MCWRA lacks the ability to fund these costs. MCWRA originally identified reserves in Funds 131, 132 and 134 as possible sources, but utilization of these reserves would require reprioritization of projects identified for funding over the three-year period. These projects include routine maintenance at the tertiary treatment plant and on the Castroville Seawater Intrusion Project (CSIP) Distribution system; cathodic protection; water scheduling improvements to assist with reducing delivery shortages; electrical upgrades; and, improvements to keep facilities operable during routine maintenance activities further reducing full shutdowns.

As a result of the \$2,663,300 additional funding requirement, MCWRA reached out to landowners within the project area and local water companies benefitting from the well destruction to offset the \$2,663,300. MCWRA continues to work with the water companies but stakeholders have stated that they are already paying assessments. To mitigate impacts to the CSIP, MCWRA pursued a contribution from the Cannabis Assignment.

On September 3, 2020, the MCWRA Board of Director Finance Committee supported a request to the Monterey County Board of Supervisors for a Cannabis Assignment contribution of \$2,663,300 over three years. On September 21, 2020, the MCWRA Board of Directors supported the request to move forward to the Board of Supervisors. On October 7, 2020, the Budget Committee did not unanimously approve the request but agreed to move the item forward for consideration and discussion by the full Board of Supervisors. On October 27, 2020, the Board of Supervisors approved the total contribution through a 3-2 vote. On January 27, 2021, the Budget Committee was asked to support authorizing the actions in this report. The Budget Committee did not unanimously recommend the action, but agreed to move the item forward for consideration and discussion by the Board of Supervisors.

This report seeks the authority to amend the necessary budgets to allow for the transfer of \$399,499 from the Cannabis Assignment to the MCWRA for FY 2020-21, and amend the CSIP Operations budget to increase appropriations necessary to perform the work necessary to begin working on the project. For the remaining two fiscal years, the approved contributions from the Cannabis Assignment to the MCWRA will be included in the MCWRA's adopted budget.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office - Budget & Analysis Division and County Cannabis Program reviewed this report.

FINANCING:

The Cannabis Tax Assignment fund balance is \$8,821,173.99 as of January 25, 2021 so the FY 2020-21 transfer of \$399,499 will result in an estimated Cannabis Tax Assignment fund balance of \$8,421,674.99. For the remaining two fiscal years, the approved contributions from the Cannabis

Assignment to the MCWRA will be included in the MCWRA's adopted budget. The \$2,241,068 in estimated revenues that fund part of the appropriation increase represent a portion of the State's contribution toward the project. The remaining \$2,686,661 in State reimbursements will occur during the ensuing two fiscal years of the project.

Prepared by: Amy Woodrow, Hydrologist, (831) 755-4860

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

Attachments:

1. Tables 1 and 2
2. Resolution



Monterey County

Item No.

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- b. Adopt a resolution authorizing the Auditor-Controller to amend the Water Resources Agency's Castroville Seawater Intrusion Project Operations Fund (131-9300-WRA020-8491) FY 2020-21 adopted budget to increase appropriations in the amount of \$2,640,567, financed by a transfer from 001-1050-CAO017-8038 in the amount of \$399,499, and an increase in estimated revenues in the amount of \$2,241,068 (4/5ths vote required).

RECOMMENDATION:

- a. It is recommended that the Monterey County Board of Supervisors:

Adopt a resolution authorizing the Auditor-Controller to amend the FY 2020-21 Adopted Budget by increasing appropriations in the County's Administrative Office's Other Financing Uses Budget Unit (001-1050-CAO017-8038) by \$399,499, financed by a release of the Cannabis Tax Assignment, Balance Sheet Account 3132 (4/5ths vote required).

- b. It is recommended that the Monterey County Water Resources Agency Board of Supervisors:

Adopt a resolution authorizing the Auditor-Controller to amend the Water Resources Agency's Castroville Seawater Intrusion Project Operations Fund (131-9300-WRA020-8491) FY 2020-21 adopted budget to increase appropriations in the amount of \$2,640,567, financed by a transfer from 001-1050-CAO017-8038 in the amount of \$399,499, and an increase in estimated revenues in the amount of \$2,241,068 (4/5ths vote required).

SUMMARY/DISCUSSION:

On May 19, 2020 the Monterey County Water Resources Agency (MCWRA) Board of Supervisors approved a recommendation for the MCWRA to enter into an agreement with the State Water Resources Control Board (SWRCB) to receive and implement a Proposition 1 Implementation Grant for the destruction of approximately 105 wells in the Lower Salinas Valley within Monterey County. Destroying abandoned or inactive wells in the project area will prevent conduits that are allowing vertical migration of seawater- and nitrate-contaminated groundwater to drinking water supply wells in the Salinas Valley Groundwater Basin.

Financing for the *Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley*

project (Project) totals \$9,125,524 over a three-year period with 54% funded by the State Water Resources Control Board grant, and the remaining 46% funded as a local match that is met through a combination of MCWRA in-kind services totaling \$1,534,495 and additional funds totaling \$2,663,300 over the three-year period as shown in Tables 1 and 2 in Attachment 1. MCWRA will meet the in-kind services amount of \$1,534,495 through work performed by MCWRA staff. The additional funds requirement of \$2,663,300 became a challenge as MCWRA lacks the ability to fund these costs. MCWRA originally identified reserves in Funds 131, 132 and 134 as possible sources, but utilization of these reserves would require reprioritization of projects identified for funding over the three-year period. These projects include routine maintenance at the tertiary treatment plant and on the Castroville Seawater Intrusion Project (CSIP) Distribution system; cathodic protection; water scheduling improvements to assist with reducing delivery shortages; electrical upgrades; and, improvements to keep facilities operable during routine maintenance activities further reducing full shutdowns.

As a result of the \$2,663,300 additional funding requirement, MCWRA reached out to landowners within the project area and local water companies benefitting from the well destruction to offset the \$2,663,300. MCWRA continues to work with the water companies but stakeholders have stated that they are already paying assessments. To mitigate impacts to the CSIP, MCWRA pursued a contribution from the Cannabis Assignment.

On September 3, 2020, the MCWRA Board of Director Finance Committee supported a request to the Monterey County Board of Supervisors for a Cannabis Assignment contribution of \$2,663,300 over three years. On September 21, 2020, the MCWRA Board of Directors supported the request to move forward to the Board of Supervisors. On October 7, 2020, the Budget Committee did not unanimously approve the request but agreed to move the item forward for consideration and discussion by the full Board of Supervisors. On October 27, 2020, the Board of Supervisors approved the total contribution through a 3-2 vote. On January 27, 2021, the Budget Committee was asked to support authorizing the actions in this report. The Budget Committee did not unanimously recommend the action, but agreed to move the item forward for consideration and discussion by the Board of Supervisors.

This report seeks the authority to amend the necessary budgets to allow for the transfer of \$399,499 from the Cannabis Assignment to the MCWRA for FY 2020-21, and amend the CSIP Operations budget to increase appropriations necessary to perform the work necessary to begin working on the project. For the remaining two fiscal years, the approved contributions from the Cannabis Assignment to the MCWRA will be included in the MCWRA's adopted budget.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office - Budget & Analysis Division and County Cannabis Program reviewed this report.

FINANCING:

The Cannabis Tax Assignment fund balance is \$8,821,173.99 as of January 25, 2021 so the FY 2020-21 transfer of \$399,499 will result in an estimated Cannabis Tax Assignment fund balance of \$8,421,674.99. For the remaining two fiscal years, the approved contributions from the Cannabis

Assignment to the MCWRA will be included in the MCWRA's adopted budget. The \$2,241,068 in estimated revenues that fund part of the appropriation increase represent a portion of the State's contribution toward the project. The remaining \$2,686,661 in State reimbursements will occur during the ensuing two fiscal years of the project.

Prepared by: Amy Woodrow, Hydrologist, (831) 755-4860

Approved by:



Brent Buche, General Manager, (831) 755-4860

Attachments:

1. Tables 1 and 2
2. Resolution

Attachment 1

Proposition 1 Implementation Grant

Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley

Table 1 – Project Budget Summary

Funding Source		Amount	Percent
Grant Funds		\$4,927,729	54%
MCWRA Match	In-Kind Services	\$1,534,495	17%
	Additional Funds	\$2,663,300	29%
Project Total		\$9,125,524	100%

Table 2 – Estimated Timing of Additional Funds Usage

Fiscal Year	Grant Funds	MCWRA Match		Total Funds
		In-Kind Services	Additional Funds Needed	
2020-21	2,241,068	1,324,495	399,499	3,965,062
2021-22	2,624,081	120,000	1,509,201	4,253,282
2022-23	62,580	90,000	754,600	907,180
Total	4,927,729	1,534,495	2,663,300	9,125,524

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

Resolution No. _____

- A Resolution of the Board of Supervisors of Monterey County:)
)
1) Authorize and direct the Auditor-Controller to amend the)
County's FY 2020-21 Adopted Budget by increasing)
appropriations in the County's Administrative Office's)
Other Financing Uses Budget Unit)
(001-1050-CAO017-8038) by \$399,499, financed by a)
release of the Cannabis Tax Assignment, Balance Sheet)
Account 3132 (4/5ths vote required).)

WHEREAS, On April 20, 2020, the Board of Directors of the Monterey County Water Resources Agency (MCWRA) recommended that the MCWRA Board of Supervisors enter into an agreement with the State Water Resources Control Board (SWRCB) to receive and implement a Proposition 1 Implementation Grant for the destruction of approximately 105 wells in the Lower Salinas Valley, Monterey County; and

WHEREAS, On May 19, 2020, the MCWRA Board of Supervisors approved the action; and

WHEREAS, Destroying abandoned or inactive wells in the project area will prevent conduits that allow vertical migration of seawater- and nitrate-contaminated groundwater to drinking water supply wells in the Salinas Valley Groundwater Basin; and

WHEREAS, Financing for the *Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley* project (Project) totals \$9,125,524 with 54% coming from the State Water Resources Control Board (State Board) and 46% coming as match met through a combination of MCWRA in-kind services totaling \$1,534,495 and additional funds totaling \$2,663,300 over a three-year period; and

WHEREAS, MCWRA anticipates \$2,241,068 in revenues from the State Board this fiscal year (FY) that is not included in the FY 2020-21 adopted budget; and

WHEREAS, On September 21, 2020, the MCWRA Board of Directors supported a request to Monterey County for a transfer of \$2,663,300 from the Cannabis Assignment as a contribution toward grant match for this Project; and

WHEREAS, On October 7, 2020, the Budget Committee did not unanimously approve the request but agreed to move the item forward for consideration and discussion by the full Board of Supervisors; and

WHEREAS, On October 27, 2020, the Monterey County Board of Supervisors and Board of Supervisors of Monterey County Water Resources Agency approved \$2,663,300 over three fiscal years from the Cannabis Assignment as a contribution to grant match towards the Proposition 1 Implementation Grant, with \$399,499 in FY 2020-21, \$1,509,201 in FY 2021-22, and \$754,600 in FY 2022-23; and

WHEREAS, On January 27, 2021, the Budget Committee did not unanimously approve a request to increase appropriations in the County's FY 2020-21 Adopted Budget, financed by a release of \$399,499 from the Cannabis Assignment, and amend the Water Resources Agency's FY 2020-21 adopted budget but agreed to move the item forward for consideration and discussion by the full Board of Supervisors.

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

- 1) Authorize and direct the Auditor-Controller to amend the County's FY 2020-21 Adopted Budget by increasing appropriations in the County's Administrative Office's Other Financing Uses Budget Unit (001-1050-CAO017-8038) by \$399,499, financed by a release of the Cannabis Tax Assignment, Balance Sheet Account 3132 (4/5ths vote required).

PASSED AND ADOPTED on this ____ day of _____, 2021, by the following vote, to-wit:

AYES:

NOES:

ABSENT:

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___ for the meeting on _____.

Dated:

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

By _____
, Deputy

**Before the Board of Supervisors of the Monterey County Water Resources Agency
County of Monterey, State of California**

Resolution No. _____

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

- 1) Authorize and direct the Auditor-Controller to amend the)
Water Resources Agency’s Castroville Seawater Intrusion)
Project Operations Fund (131-9300-WRA020-8491-5940))
FY 2020-21 adopted budget to increase appropriations in)
the amount of \$2,640,567, financed by a transfer from)
001-1050-CAO017-8038 in the amount of \$399,499, and)
an increase in estimated revenues in the amount of)
\$2,241,068 (4/5ths vote required).)

WHEREAS, On April 20, 2020, the Board of Directors of the Monterey County Water Resources Agency (MCWRA) recommended that the MCWRA Board of Supervisors enter into an agreement with the State Water Resources Control Board (SWRCB) to receive and implement a Proposition 1 Implementation Grant for the destruction of approximately 105 wells in the Lower Salinas Valley, Monterey County; and

WHEREAS, On May 19, 2020, the MCWRA Board of Supervisors approved the action; and

WHEREAS, Destroying abandoned or inactive wells in the project area will prevent conduits that allow vertical migration of seawater- and nitrate-contaminated groundwater to drinking water supply wells in the Salinas Valley Groundwater Basin; and

WHEREAS, Financing for the *Protection of Domestic Drinking Water Supplies for the Lower Salinas Valley* project (Project) totals \$9,125,524 with 54% coming from the State Water Resources Control Board (State Board) and 46% coming as match met through a combination of MCWRA in-kind services totaling \$1,534,495 and additional funds totaling \$2,663,300 over a three-year period; and

WHEREAS, MCWRA anticipates \$2,241,068 in revenues from the State Board this fiscal year (FY) that is not included in the FY 2020-21 adopted budget; and

WHEREAS, On September 21, 2020, the MCWRA Board of Directors supported a request to Monterey County for a transfer of \$2,663,300 from the Cannabis Assignment as a contribution toward grant match for this Project; and

WHEREAS, On October 7, 2020, the Budget Committee did not unanimously approve the request but agreed to move the item forward for consideration and discussion by the full Board of Supervisors; and

WHEREAS, On October 27, 2020, the Monterey County Board of Supervisors and Board of Supervisors of Monterey County Water Resources Agency approved \$2,663,300 over three fiscal years from the Cannabis Assignment as a contribution to grant match towards the Proposition 1 Implementation Grant, with \$399,499 in FY 2020-21, \$1,509,201 in FY 2021-22, and \$754,600 in FY 2022-23; and

WHEREAS, On January 27, 2021, the Budget Committee did not unanimously approve a request to increase appropriations in the County's FY 2020-21 Adopted Budget, financed by a release of \$399,499 from the Cannabis Assignment, and amend the Water Resources Agency's FY 2020-21 adopted budget but agreed to move the item forward for consideration and discussion by the full Board of Supervisors.

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

- 1) Authorize and direct the Auditor-Controller to amend the Water Resources Agency's Castroville Seawater Intrusion Project Operations Fund (131-9300-WRA020-8491-5940) FY 2020-21 adopted budget to increase appropriations in the amount of \$2,640,567, financed by a transfer from 001-1050-CAO017-8038 in the amount of \$399,499, and an increase in estimated revenues in the amount of \$2,241,068 (4/5ths vote required).

PASSED AND ADOPTED on this ____ day of _____, 2021, by the following vote, to-wit:

AYES:
NOES:
ABSENT:

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___ for the meeting on _____.

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

By _____
, Deputy