

# Monterey County

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



## Meeting Agenda - Final

Tuesday, November 16, 2021

10:30 AM

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

*Chair Supervisor Wendy Root Askew - District 4*  
*Vice Chair Supervisor Mary L. Adams - District 5*  
*Supervisor Luis A. Alejo - District 1*  
*Supervisor John M. Phillips - District 2*  
*Supervisor Chris Lopez - District 3*

**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**

Pursuant to AB361 some or all Supervisors may participate in the meeting by telephone or video conference.

**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.

**Consent Calendar**

1. a. Authorize the County of Monterey to issue a loan not to exceed \$950,000, valid through June 30, 2023, to the Monterey County Water Resources Agency to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
- b. Authorize the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2021-22 adopted budget to increase appropriations by \$658,500, financed by a release of \$658,500 from the Cannabis Assignment Fund balance BSA 001-3132 (4/5 vote required); and
- c. Authorize the Auditor-Controller to amend the Water Resources Agency's Pajaro River Fund 112-9300-WRA002-8484 FY 2021-22 adopted budget to increase appropriations and revenues in the amount of \$658,500 financed by an interfund transfer from 001-1050-CAO017-8038 (4/5 vote required).

**Attachments:**     [Board Report](#)  
                          [Pajaro River Design Agreement Cost](#)  
                          [WRA BOS Resolution](#)  
                          [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 21-175

November 16, 2021

Introduced: 11/1/2021

Current Status: Consent Agenda

Version: 1

Matter Type: WR General Agenda

- a. Authorize the County of Monterey to issue a loan not to exceed \$950,000, valid through June 30, 2023, to the Monterey County Water Resources Agency to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
- b. Authorize the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2021-22 adopted budget to increase appropriations by \$658,500, financed by a release of \$658,500 from the Cannabis Assignment Fund balance BSA 001-3132 (4/5 vote required); and
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#### RECOMMENDATION:

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

- a. Authorize the County of Monterey to issue a loan not to exceed \$950,000, valid through June 30, 2023, to the Monterey County Water Resources Agency to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
- b. Authorize the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2021-22 adopted budget to increase appropriations by \$658,500, financed by a release of \$658,500 from the Cannabis Assignment Fund balance BSA 001-3132 (4/5 vote required); and
- c. Authorize the Auditor-Controller to amend the Water Resources Agency's Pajaro River Fund 112-9300-WRA002-8484 FY 2021-22 adopted budget to increase appropriations and revenues in the amount of \$658,500 financed by an interfund transfer from 001-1050-CAO017-8038 (4/5 vote required).

#### SUMMARY/DISCUSSION:

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"). USACE has recently completed the necessary steps for the Project to enter into the Design Phase, which includes performance of detailed pre-construction engineering,

preparation of plans and specifications for the initial construction contract for the project. The Director's Report signed and released on December 12, 2019, by the USACE Headquarters confirms the federal authorization.

USACE and the non-federal sponsors (Zone 7 and MCWRA) entered into a Design Agreement ("DA") in May 2021. The DA describes the financial commitment of the federal government and the non-federal sponsors, who will share in the costs of all requirements needed 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 estimates a total project cost of \$7,100,000, the federal government's share projected to be \$4,615,000, the non-federal sponsors' work-in kind share by Zone 7 to be \$200,000, and the non-federal sponsors' cash contribution share of \$2,285,000 over multiple fiscal years. As such, MCWRA's projected cash-share is \$1,142,500.

USACE invoiced the non-federal sponsors for \$385,000 for the first cash contribution. MCWRA paid \$192,500 for the 50/50 cost-share on June 22, 2021. MCWRA received the second invoice dated September 23, 2021, requesting the non-federal sponsor cash contribution of \$1,317,000, due on October 22, 2021, of which MCWRA's share is \$658,500. USACE granted MCWRA and Zone 7 an extension of the due date. MCWRA's remaining estimated cost-share of the project will be \$291,500 and is expected to be paid out in FY 2022-23.

The Monterey County Board of Supervisors authorized a loan to MCWRA from the Cannabis Assignment on July 7, 2020, of up to \$1,000,000 to assist MCWRA with its cash flow for the non-federal share costs. This loan was not utilized in FY 2020-2021 due to delays in finalizing the Subventions Agreement with the California Division of Water Resources. MCWRA did not include the projected cash-share in its FY 2021-22 Adopted Budget. MCWRA requests to reinstate the authorization of the loan for MCWRA in FY 2021-22 and FY 2022-23 to pay the remaining non-federal sponsors' cash contributions of \$950,000.

The MCWRA Board of Supervisors has authorized the funding agreement. MCWRA and Zone 7 are negotiating with the Division of Water Resources on a funding agreement for State Subventions authorization. While the proposed cost share from the State is up to 100% of the non-federal eligible costs under the State Subventions authorization, the reimbursements under this agreement may not be received until FY 2022-23.

The MCWRA total non-federal sponsor cost-share needed exceeds the Fund 112 (Pajaro Levee) fund balance. MCWRA cannot borrow from most other MCWRA funds due to restrictions specific to the Zones. The funds that could be utilized do not have sufficient fund balance to pay for the invoiced amounts. The loan from the Cannabis Assignment will be repaid to the County when the State Subvention funds are received, estimated to be between 6 to 12 months from the time the costs are incurred.

This item went before the Budget Committee on October 29, 2021 and the Committee supports these actions.

OTHER AGENCY INVOLVEMENT:

MCWRA is working with Santa Cruz County's Zone 7 and the CA Department of Water Resources to finalize the Subventions Agreement.

FINANCING:

As of October 4, 2021, the cannabis assignment ending balance is \$20,662,131.

MCWRA and Zone 7 are currently negotiating with the State on the Subvention funding agreement terms, including 100% reimbursements of the non-federal eligible. However, the reimbursements under this agreement are not expected within FY21-22, and a loan of \$658,500 is needed in FY 2021-2022. Without these payments to the USACE, work on the Project will stop.

If the Subventions Agreement with the State is not in place and reimbursements of the previous payment are not received by July 31, 2022, MCWRA will request the remaining loan balance of \$291,500 from the Cannabis Fund Assignment utilizing this authorization and the FY 2022-2023 Request Budget of MCWRA Pajaro River Fund 112-9300-WRA002-8484 will include the loan amount. The loan will be repaid with reimbursements from California State Subventions.

Prepared by: Nan Kyung Kim, Finance Manager III, (831) 755-4861

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

Attachment:

1. Pajaro River Design Agreement Cost
2. Resolution WRABOS
3. Resolution BOS



# Monterey County

Item No.

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- b. Authorize the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2021-22 adopted budget to increase appropriations by \$658,500, financed by a release of \$658,500 from the Cannabis Assignment Fund balance BSA 001-3132 (4/5 vote required); and
- c. Authorize the Auditor-Controller to amend the Water Resources Agency's Pajaro River Fund 112-9300-WRA002-8484 FY 2021-22 adopted budget to increase appropriations and revenues in the amount of \$658,500 financed by an interfund transfer from 001-1050-CAO017-8038 (4/5 vote required).

### RECOMMENDATION:

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

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preparation of plans and specifications for the initial construction contract for the project. The Director's Report signed and released on December 12, 2019, by the USACE Headquarters confirms the federal authorization.

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The Monterey County Board of Supervisors authorized a loan to MCWRA from the Cannabis Assignment on July 7, 2020, of up to \$1,000,000 to assist MCWRA with its cash flow for the non-federal share costs. This loan was not utilized in FY 2020-2021 due to delays in finalizing the Subventions Agreement with the California Division of Water Resources. MCWRA did not include the projected cash-share in its FY 2021-22 Adopted Budget. MCWRA requests to reinstate the authorization of the loan for MCWRA in FY 2021-22 and FY 2022-23 to pay the remaining non-federal sponsors' cash contributions of \$950,000.

The MCWRA Board of Supervisors has authorized the funding agreement. MCWRA and Zone 7 are negotiating with the Division of Water Resources on a funding agreement for State Subventions authorization. While the proposed cost share from the State is up to 100% of the non-federal eligible costs under the State Subventions authorization, the reimbursements under this agreement may not be received until FY 2022-23.

The MCWRA total non-federal sponsor cost-share needed exceeds the Fund 112 (Pajaro Levee) fund balance. MCWRA cannot borrow from most other MCWRA funds due to restrictions specific to the Zones. The funds that could be utilized do not have sufficient fund balance to pay for the invoiced amounts. The loan from the Cannabis Assignment will be repaid to the County when the State Subvention funds are received, estimated to be between 6 to 12 months from the time the costs are incurred.

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If the Subventions Agreement with the State is not in place and reimbursements of the previous payment are not received by July 31, 2022, MCWRA will request the remaining loan balance of \$291,500 from the Cannabis Fund Assignment utilizing this authorization and the FY 2022-2023 Request Budget of MCWRA Pajaro River Fund 112-9300-WRA002-8484 will include the loan amount. The loan will be repaid with reimbursements from California State Subventions.

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Approved by:

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

Attachment:

1. Pajaro River Design Agreement Cost
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## Attachment 1 - Pajaro River Design Agreement Cost:

F_FY	Project Detail	Federal / USACE Share	Zone 7		MCWRA	Total Non- Federal Share	Total Project Cost
			Work In Kind	Cash Contribution	Cash Contribution		
FY21	F/NF cost Share 65%/35%	\$125,699	\$0	\$192,500	\$192,500	\$385,000	\$510,699
	FY21 NF Cash unspent	\$206,255		-\$103,128	-\$103,128	-\$206,255	
	Soil Boring Contract	\$650,000		\$175,000	\$175,000	\$350,000	\$1,000,000
	Survey Contract	\$130,000		\$35,000	\$35,000	\$70,000	\$200,000
	A/E Design Contract	\$1,300,000		\$350,000	\$350,000	\$700,000	\$2,000,000
	TBD - FFY NF Share calculated 29%	\$1,396,745	\$200,000	\$201,628	\$201,628	\$603,255	\$2,000,000
FY22	F/NF cost Share 65%/35%	\$3,683,000	\$200,000	\$658,500	\$658,500	\$1,517,000	\$5,200,000
	TBD - FFY NF Share calculated 42%	\$806,301		\$291,500	\$291,500	\$583,000	\$1,389,301
FY23	F/NF cost Share 65%/35%	\$806,301	\$0	\$291,500	\$291,500	\$583,000	\$1,389,301
<b>Total</b>		\$4,615,000	\$200,000	\$1,142,500	\$1,142,500	\$2,485,000	\$7,100,000

FY21 is actual amount

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

**Resolution No. 21-\_\_\_\_\_**

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 loan not to exceed \$950,000, valid through June 30, 2023, from the County of Monterey for MCWRA to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
- b. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's Pajaro River Fund 112-9300-WRA002-8484 FY 2021-22 adopted budget to increase appropriations and revenues in the amount of \$658,500 financed by an interfund transfer from 001-1050-CA0017-8038 (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"). USACE has recently completed the necessary steps for the Project to enter into the Design Phase, which includes performance of detailed pre-construction engineering, preparation of plans and specifications for the initial construction contract for the project. The Director's Report signed and released on December 12, 2019, by the USACE Headquarters confirms the federal authorization;

**WHEREAS**, the USACE and the non-federal sponsors (Zone 7 and MCWRA) entered into a Design Agreement ("DA") in May 2021. The DA describes the financial commitment of the federal government and the non-federal sponsors, who will share in the costs of all requirements needed 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 estimates a total project cost of \$7,100,000, the federal government's share projected to be \$4,615,000, the non-federal sponsors' work-in kind share by Zone 7 to be \$200,000, and the non-federal sponsors' cash contribution share of \$2,285,000 over multiple fiscal years. MCWRA's projected cash-share is \$1,142,500;

**WHEREAS**, the USACE invoiced the non-federal sponsors for \$385,000 for the first cash contribution. MCWRA paid \$192,500 for the 50/50 cost-share on June 22, 2021. MCWRA received the second invoice dated September 23, 2021, requesting the non-federal sponsor cash contribution of \$1,317,000, due on October 22, 2021; MCWRA's share is \$658,500. USACE

granted MCWRA and Zone 7 an extension of the due date. MCWRA's remaining estimated cost-share of the project will be \$291,500 and is expected to be paid out in FY 2022-23;

**WHEREAS**, The Monterey County Board of Supervisors authorized a loan to MCWRA from the Cannabis Assignment on July 7, 2020, of up to \$1,000,000 to assist MCWRA with its cash flow for the non-federal share costs. This loan was not utilized in FY 2020-2021 due to delays in finalizing the Subventions Agreement with the California Division of Water Resources. MCWRA did not include the projected cash-share in its FY 2021-22 Adopted Budget. MCWRA requests to reinstate the authorization of the loan for MCWRA in FY 2021-22 and FY 2022-23 to pay the remaining non-federal sponsors' cash contributions of \$950,000;

**WHEREAS**, the MCWRA Board of Supervisors has authorized the funding agreement. MCWRA and Zone 7 are negotiating with the Division of Water Resources on a funding agreement for State Subventions authorization. While the proposed cost share from the State is up to 100% of the non-federal eligible costs under the State Subventions authorization, the reimbursements under this agreement may not be received until FY 2022-23; and

**WHEREAS**, the MCWRA total non-federal sponsor cost-share needed exceeds the Fund 112 (Pajaro Levee) fund balance. MCWRA cannot borrow from most other MCWRA funds due to restrictions specific to the Zones. The funds that could be utilized do not have sufficient fund balance to pay for the invoiced amounts. The loan from the Cannabis Assignment will be repaid to the County's when the State Subvention Funds are received, 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:

- a. Authorize the Monterey County Water Resources Agency to request a loan not to exceed \$950,000, valid through June 30, 2023, from the County of Monterey for MCWRA to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
- b. Authorize the Auditor-Controller to amend the Monterey County Water Resources Agency's Pajaro River Fund 112-9300-WRA002-8484 FY 2021-22 adopted budget to increase appropriations and revenues in the amount of \$658,500 financed by an interfund transfer from 001-1050-CAO017-8038 (4/5ths vote required).

PASSED AND ADOPTED upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and carried this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:



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

**Resolution No. 21-\_\_\_\_\_**

Resolution of the Monterey County Board of Supervisors to:

- a. Authorize the County of Monterey to issue a loan not to exceed \$950,000, valid through June 30, 2023, to the Monterey County Water Resources Agency to pay its non-federal cost share of the Pajaro River Flood Risk Management Project Design Phase, and to be repaid with reimbursements from California State Subvention funds; and
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**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"). USACE has recently completed the necessary steps for the Project to enter into the Design Phase, which includes performance of detailed pre-construction engineering, preparation of plans and specifications for the initial construction contract for the project. The Director's Report signed and released on December 12, 2019, by the USACE Headquarters confirms the federal authorization;

**WHEREAS**, the USACE and the non-federal sponsors (Zone 7 and MCWRA) entered into a Design Agreement ("DA") in May 2021. The DA describes the financial commitment of the federal government and the non-federal sponsors, who will share in the costs of all requirements needed 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 estimates a total project cost of \$7,100,000, the federal government's share projected to be \$4,615,000, the non-federal sponsors' work-in kind share by Zone 7 to be \$200,000, and the non-federal sponsors' cash contribution share of \$2,285,000 over multiple fiscal years. MCWRA's projected cash-share is \$1,142,500;

**WHEREAS**, the USACE invoiced the non-federal sponsors for \$385,000 for the first cash contribution. MCWRA paid \$192,500 for the 50/50 cost-share on June 22, 2021. MCWRA received the second invoice dated September 23, 2021, requesting the non-federal sponsor cash contribution of \$1,317,000, due on October 22, 2021; MCWRA's share is \$658,500. USACE granted MCWRA and Zone 7 an extension of the due date. MCWRA's remaining estimated cost-share of the project will be \$291,500 and is expected to be paid out in FY 2022-23;

**WHEREAS**, The Monterey County Board of Supervisors authorized a loan to MCWRA from the Cannabis Assignment on July 7, 2020, of up to \$1,000,000 to assist MCWRA with its cash flow for the non-federal share costs. This loan was not utilized in FY 2020-2021 due to delays in finalizing the Subventions Agreement with the California Division of Water Resources. MCWRA did not include the projected cash-share in its FY 2021-22 Adopted Budget. MCWRA requests to reinstate the authorization of the loan for MCWRA in FY 2021-22 and FY 2022-23 to pay the remaining non-federal sponsors' cash contributions of \$950,000;

**WHEREAS**, the MCWRA Board of Supervisors has authorized the funding agreement. MCWRA and Zone 7 are negotiating with the Division of Water Resources on a funding agreement for State Subventions authorization. While the proposed cost share from the State is up to 100% of the non-federal eligible costs under the State Subventions authorization, the reimbursements under this agreement may not be received until FY 2022-23; and

**WHEREAS**, the MCWRA total non-federal sponsor cost-share needed exceeds the Fund 112 (Pajaro Levee) fund balance. MCWRA cannot borrow from most other MCWRA funds due to restrictions specific to the Zones. The funds that could be utilized do not have sufficient fund balance to pay for the invoiced amounts. The loan from the Cannabis Assignment will be repaid to the County's when the State Subvention Funds are received, estimated to be between 6 to 12 months from the time the costs are incurred.

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- b. Authorize the Auditor-Controller to amend the County's Administrative Office 001-1050-CAO017-8038 FY 2021-22 adopted budget to increase appropriations by \$658,500, financed by a release of \$658,500 from the Cannabis Assignment Fund balance BSA 001-3132 (4/5ths vote required).

PASSED AND ADOPTED upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and carried 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