



## Legislation Details (With Board Report)

**File #:** WRAG 19-165  
**Name:** Financial Planning Update  
**Type:** WR General Agenda  
**Status:** Agenda Ready  
**File created:** 9/27/2019  
**In control:** Water Resources Agency Board of Directors  
**On agenda:** 10/4/2019  
**Final action:**  
**Title:** Consider receiving a report on the Special Joint Meeting between the Water Resources Board of Supervisors (BOS) and the Water Resources Board of Directors (BOD) held on September 19, 2019 related to Financial Planning and provide direction to staff on next steps to seek funding on deferred maintenance.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report, 2. Program Projects from April 26, 2019 Workshop, 3. Workshop Notes April 26, 2019, 4. Nacimiento and San Antonio Projects from 9/19/19 Workshop, 5. Workshop Notes September 19, 2019 Workshop

Date	Ver.	Action By	Action	Result
10/4/2019	1	Water Resources Agency Board of Directors		

Consider receiving a report on the Special Joint Meeting between the Water Resources Board of Supervisors (BOS) and the Water Resources Board of Directors (BOD) held on September 19, 2019 related to Financial Planning and provide direction to staff on next steps to seek funding on deferred maintenance.

**RECOMMENDATION:**

It is recommended that the Monterey County Water Resources Agency Board of Directors -Finance Committee:

Receive a report on the Special Joint Meeting between the Water Resources Board of Supervisors (BOS) and the Water Resources Board of Directors (BOD) held on September 19, 2019 related to Financial Planning and provide direction to staff on next steps to seek funding on deferred maintenance.

**SUMMARY/DISCUSSION:**

On April 26, 2019, the BOD held a special workshop in which the Interim General Manager presented an overview of 40 projects and 21 programs were identified as either unfunded or underfunded. The combined total of these projects and programs summed \$85 million. In the same workshop, Monterey County Counsel presented an overview of possible funding mechanisms the Agency could pursue to fund these projects and programs. As part of the workshop, attendants were broken into groups and were asked to address 4 questions related to how the Agency should fund these projects/programs. Given these responses Agency staff reviewed the recommendations and hired a consultant to assist in the process.

On September 19, 2019, a follow-up workshop was held via a joint meeting between the BOD and BOS in which staff brought back the recommendations from the April 26, 2019 workshop and further investigated the costs of the projects/programs to a revised total of \$145 million as well as the possible funding mechanisms. During the September workshop, Agency staff and an external consultant provided an overview of the steps taken since the April workshop in addition to providing a revised list of funding alternatives. At the end of the presentation, participants were once again asked to answer 3 questions related to how the Agency should fund

these projects/programs. The consensus from the participants was that the Agency should focus on funding deferred maintenance at the San Antonio and Nacimiento Reservoirs due to deadlines set by the Division of Safety of Dams (DSOD) to repair/replace the Chute at San Antonio. Participants provided different options on the funding mechanism to seek, such as water extraction fees but the consensus was to fund the revised costs \$145 million through a special assessment.

Staff recommends that the Agency proceeds with the suggestions expressed at the September workshop to fund deferred maintenance at the reservoirs through a special assessment. The goal would be to hold an election in the spring of 2020 in order to include these new assessments in the Tax Year 2020-21 tax roll. In order to ensure inclusion of the new assessments, assuming they are approved by the property owners, the Agency will need to work diligently over the next months. Over the next two months, the Agency will need to seek approval of the BOD and BOS to continue with the recommendation and hire a consultant to assist with the process of preparing an Engineer's Report, public outreach, and holding the election. Additionally, the Agency will need to engage County Counsel to review legal requirements related to the process.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

There is no financial impact for receiving this report.

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Attachments:

1. Program Projects from April 26, 2019 Workshop
2. Workshop Notes from April 26, 2019 Workshop
3. Nacimiento and San Antonio Projects from 9/19/19 Workshop
4. Workshop Notes from September 19, 2019 Workshop