



Legislation Details (With Board Report)

**File #:** WRAG 19-224      **Name:** Budget Amendment #2

**Type:** WR General Agenda      **Status:** Agenda Ready

**File created:** 10/28/2019      **In control:** Water Resources Agency Board of Directors

**On agenda:** 11/1/2019      **Final action:**

**Title:** Support approval and recommendation by the Monterey County Water Resources Agency Board of Directors that the Water Resources Agency Board of Supervisors adopt a resolution authorizing and directing the Auditor Controller to amend the Water Resources Agency’s FY 2019-20 Adopted Budget as follows:  
a. Increase appropriations in Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) in the amount of \$300,000 financed by Unassigned Fund Balance; (4/5 vote required) and,  
b. Increase appropriations in Fund 116 - Dam Operations (116-9300-8485-WRA006) in the amount of \$600,000 financed by a transfer of \$300,000 from Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) and \$300,000 financed by Unassigned Fund Balance.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report, 2. Budget Summary, 3. BOS Resolution, 4. Board Order

Date	Ver.	Action By	Action	Result
11/1/2019	1	Water Resources Agency Board of Directors		

Support approval and recommendation by the Monterey County Water Resources Agency Board of Directors that the Water Resources Agency Board of Supervisors adopt a resolution authorizing and directing the Auditor Controller to amend the Water Resources Agency’s FY 2019-20 Adopted Budget as follows:  
a. Increase appropriations in Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) in the amount of \$300,000 financed by Unassigned Fund Balance; (4/5 vote required) and,  
b. Increase appropriations in Fund 116 - Dam Operations (116-9300-8485-WRA006) in the amount of \$600,000 financed by a transfer of \$300,000 from Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) and \$300,000 financed by Unassigned Fund Balance.

**RECOMMENDATION:**

It is recommended that the Monterey County Water Resources Agency Finance Committee:  
Support approval and recommendation by the Monterey County Water Resources Agency Board of Directors that the Water Resources Agency Board of Supervisors adopt a resolution authorizing and directing the Auditor Controller to amend the Water Resources Agency’s FY 2019-20 Adopted Budget as follows:  
a. Increase appropriations in Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) in the amount of \$300,000 financed by Unassigned Fund Balance; (4/5 vote required) and,  
b. Increase appropriations in Fund 116 - Dam Operations (116-9300-8485-WRA006) in the amount of \$600,000 financed by a transfer of \$300,000 from Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) and \$300,000 financed by Unassigned Fund Balance.

**SUMMARY/DISCUSSION:**

Following the withdrawal of the Biological Opinion by the National Marine Fisheries Service (NMFS) in 2019 the Water Resources Agency (Agency) is not covered for incidental take of threatened or endangered species

under the Endangered Species Act (Act). As a result, the Agency is now working with the United States Fish and Wildlife Service (USFW) and the NMFS to develop a Habitat Conservation Plan (HCP). Funding for tasks associated with the HCP were not included in the Agency's FY 2019-20 Budget and this amendment will provide \$300,000 to continue defining the HCP and its length. To fund these efforts beyond the current FY, the Agency applied for \$1.0 million grant with the USFW and a response is expected by the end of the Fiscal Year. If the grant is not awarded, further funding options will be explored. This report seeks approval to transfer \$300,000 from Fund 130 - Hydro-Electric Operations to fund these HCP efforts.

The Agency has been diligently working at addressing its funding shortages and evaluating different revenue sources. Following a six (6) month research process, staff has determined that a viable option to partially address these shortages is a Proposition 218 election for deferred maintenance at the reservoirs, to include the rehabilitation of the San Antonio spillway. At the October 21, 2019 Board of Director's (BOD) meeting, staff presented an item to pursue this option and the BOD approved staff's recommendation. Additionally, the BOD approved a \$300,000 agreement with Wallace Group to assist with Project Management, Assessment Methodology, and Proposition 218 election. Staff will also present this recommendation to the Board of Supervisors (BOS) at its November 5, 2019 meeting. The \$300,000 required to fund the agreement were not part of the Agency's FY 2019-20 budget. This report seeks approval to fund this agreement from Fund's 116 - Dam Operations Unassigned Fund Balance.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

The increase in appropriations in Fund 130 - Hydro-Electric Operations will fund a \$300,000 transfer to an increase in appropriations Fund 116 - Dam Operations to cover the anticipated costs of the HCP for FY 2019-20. The remaining \$300,000 increase in appropriations in Fund 116 - Dam Operations will be funded by Unassigned Fund Balance. Both Funds have enough Unassigned Fund Balance to cover these changes as shown in Attachment A.

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Attachments:

1. Attachment A
2. Board Order
3. Resolution