



County of Monterey

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

Board Report

File #: WRAG 19-198, **Version:** 1

- a. Approve the contract fund amendment for Monterey One Water to increase the FY 2019-20 contract amount by \$563,525 for a total amount of \$2,130,525 in Fund 131 - Castroville Seawater Intrusion Project Operations (CSIP); and
- b. Approve the contract fund amendment for Monterey One Water to increase the FY 2019-20 contract amount by \$211,254 for a total amount of \$2,999,254 in Fund 132 - Salinas Valley Reclamation Project Operations (SVRP); and
- c. Approve the contract fund amendment for Monterey One Water to increase the FY 2019-20 contract amount by \$241,254 for a total amount of \$845,254 in Fund 134 - Salinas River Diversion Facility Operations (SRDF).

RECOMMENDATION:

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

- a. Approve the contract fund amendment for Monterey One Water to increase the FY 2019-20 contract amount by \$563,525 for a total amount of \$2,130,525 in Fund 131 - Castroville Seawater Intrusion Project Operations (CSIP); and
- b. Approve the contract fund amendment for Monterey One Water to increase the FY 2019-20 contract amount by \$211,254 for a total amount of \$2,999,254 in Fund 132 - Salinas Valley Reclamation Project Operations (SVRP); and
- c. Approve the contract fund amendment for Monterey One Water to increase the FY 2019-20 contract amount by \$241,254 for a total amount of \$845,254 in Fund 134 - Salinas River Diversion Facility Operations (SRDF).

SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency (MCWRA) and Monterey One Water (M1W), formerly known as Monterey Regional Water Pollution Control Agency (MRWPCA), entered into an Amended and Restated Water Recycling Agreement (Agreement), which included terms for ownership, operation, maintenance, payments for the CSIP, SVRP, and SRDF. Section 7.06 of the Agreement requires annual budgets and modifications to be approved by the M1W Board of Directors, MCWRA Board of Directors and MCWRA Board of Supervisors.

Section 7.06 of the Agreement specifies the procedure and deadlines for adoption of annual budgets for the three projects. During FY 2019-20 budget preparation, both agencies were not able to adhere to the deadlines and agreed to submit a budget similar to FY 2018-19's budget with the understanding that both agencies would continue to work on developing a comprehensive FY 2019-20 budget. After months of collaboration, both agencies have agreed on final figures which resulted in increases to all three projects as follows:

Program	Approved	Revised	Change
SVRP	2,788,000	2,999,254	211,254
CSIP	1,567,000	2,130,525	563,525
SRDF	604,000	845,254	241,254
Total	\$4,959,000	\$5,975,033	\$1,016,033

The contractual changes for the SVRP and CSIP were accommodated within FY 2019-20 approved budget and

require no budget modifications. The changes to SRDF resulted in an increase of \$110,000 over the approved appropriations in Fund 134 and require a budget amendment, which will be requested through a separate report.

As required by section 7.06 of the Agreement, this report seeks approval of the contractual changes to the M1W FY 2019-20 budget.

OTHER AGENCY INVOLVEMENT:

The Water Resources Agency Board of Directors recommended approval of this item at its October 21, 2019 meeting.

FINANCING:

The increase in appropriations of \$110,000 in Fund 134 will require a budget modification to increase appropriations financed by unassigned Fund Balance. The contractual changes in Funds 131 and 132 will be funded by current available appropriations within these Funds and require no Budget Amendment.

Prepared by: Fabricio Chombo, Finance Manager II, (831) 755-4860

Approved by: _____

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

Attachments:

1. Monterey One Water Memo
2. Executed MCWRA Board Order