



County of Monterey

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

Board Report

File #: RES 20-089, **Version:** 1

Adopt a resolution to authorize and direct the Auditor-Controller to assign the remaining funds available at the close of Fiscal Year 2019-20 appropriated in the General Fund, Fund 001, Appropriation Unit RMA001, for the Salinas Valley Groundwater Basin Investigation, in an amount not to exceed \$182,262, to the General Fund, Fund 001, Assigned Fund Balance Account (4/5th vote required).

RECOMMENDATION:

The Resource Management Agency requests the Board of Supervisors to adopt a resolution to authorize and direct the Auditor-Controller to assign the remaining funds available at the close of Fiscal Year 2019-20 appropriated in the General Fund, Fund 001, Appropriation Unit RMA001, for the Salinas Valley Groundwater Basin Investigation, in an amount not to exceed \$182,262, to the General Fund, Fund 001, Assigned Fund Balance Account (4/5th vote required).

SUMMARY/DISCUSSION:

New policies implemented with the adoption of the 2010 General Plan for Monterey County to address groundwater overdraft resulted in litigation. As part of a settlement agreement reached in 2012 in one of the lawsuits (*Salinas Valley Water Coalition et al. v. County* (Monterey Superior Court Case No. M109451)), the County considered and adopted an amendment to Policy PS-3.1 of the Public Services Element of the General Plan. Per the amended policy, the County is conducting a five-year study to assess the general health of the Salinas Valley Groundwater Basin (SVBG) with regard to its ability to provide a sustainable supply of water for land-use activities projected through Year 2030 to meet the County General Plan projected development (Investigation).

The County entered into a cooperative agreement with the U.S. Geological Survey (USGS) to configure and calibrate an integrated comprehensive hydrogeologic model to assess the general health of the SVGB. The Resource Management Agency (RMA) is responsible to oversee the administration of the SVGB Investigation. Accordingly, the County through RMA entered into a Memorandum of Understanding with the Monterey County Water Resources Agency (MCWRA) to provide project management, and engaged Errol L. Montgomery & Associates, Inc. (M&A) via a Standard Agreement for professional hydrogeological services to complete the SVGB Investigation (Attachment A-Agreement A-14638). M&A is tasked with reassessing and summarizing the state of the SVGB using the most recently configured USGS Salinas Valley Integrated Hydrologic Model (SVIHM). A delay in USGS's completion of this model has pushed back M&A's start of work until the model results are available in July 2020, and correspondingly, the scheduled completion of the Investigation to June 2021.

Securing the funding budgeted in FY 2019-20 for M&A to complete the Investigation in FY 2020-21 is critical to the implementation of the 2010 County General Plan. RMA requests the Board of Supervisors to adopt a resolution to authorize and direct the Auditor-Controller to assign the remaining funds available at the close of Fiscal Year 2019-20 appropriated in the General Fund, Fund 001, Appropriation Unit RMA001, for the Salinas Valley Groundwater Basin Investigation, in an amount not to exceed \$182,262, to the General Fund, Fund 001, Assigned Fund Balance Account. RMA will return to the Board of Supervisors, via the Budget Committee, to request these appropriations financed by the Assigned Fund Balance once the FY 2020-21 Budget is adopted. Completion of an SVGB Investigation will satisfy the County's obligation and the requirements to implement

the 2010 General Plan.

OTHER AGENCY INVOLVEMENT:

MCWRA performs project management for the SVGB Investigation. The SVIHM that M&A will use to conduct the Investigation will be provided by USGS in July 2020. On May 28, 2020, the Board of Supervisors' Budget Committee voted to support this recommendation.

FINANCING:

A total of \$1,957,243 has been spent for Fiscal Years (FYs) 2014-15 through 2018-19 to conduct the SVGB Investigation. On June 25, 2019, the Board of Supervisors approved a FY 2019-20 budget augmentation of \$304,752 to complete the Investigation. In FY 2019-20, \$71,058 has been spent to date, with payment of an invoice for \$51,432 from the USGS pending. Total expenditures for FY 2019-20 will be \$122,490, leaving a projected year-end balance of \$182,262 for the Investigation. In FY 2020-21, a total amount of \$258,260 is needed to complete the Investigation. RMA will request a budget augmentation for FY 2020-21 to address the budgetary shortfall once the FY 2019-20 accounting true-up is conducted.

Staff requests the Board of Supervisors adopt a resolution to authorize and direct the Auditor-Controller to assign the remaining funds available at the close of Fiscal Year 2019-20 appropriated in the General Fund, Fund 001, Appropriation Unit RMA001, for the Salinas Valley Groundwater Basin Investigation, in an amount not to exceed \$182,262, to the General Fund, Fund 001, Assigned Fund Balance Account to continue M&A's work on the Investigation starting in July 2020.

Based on information available in March 2020, RMA submitted an augmentation request for the FY 2020-21 budget in the amount of \$156,743 for the SVGB Investigation that is not recommended to be funded by the County Administrative Office. Based on updated cost estimates, an anticipated \$75,998 is needed in FY 2020-21, in addition to the \$182,262 hold-over funds, for M&A to complete the final report and to reimburse MCWRA for project management. Depending on the final approved budget for FY 2020-21, staff may need to return to the Board of Supervisors via the Budget Committee to request additional funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendation of this report supports the Board of Supervisors' Economic Development, Administration, and Infrastructure Strategic Initiatives by ensuring accurate, timely, and transparent fiscal accounting and effective resource management to enable the RMA to complete critical work for the long-term benefit of the County. Completion of the SVGB Investigation supports the Board of Supervisors' Strategic Initiative for Economic Development by implementing General Plan policy.

- Economic Development
- Administration
 - Health & Human Services
- Infrastructure
 - Public Safety

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Approved by: Shawne E. Ellerbee, RMA Deputy Director of Administrative Services
Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A-03-03-2020 Board Order A-14638 Errol L. Montgomery & Associates, Inc.

Attachment B-Draft Resolution

(Attachments are on file with the Clerk of the Board)