



County of Monterey

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

Board Report

File #: WRAG 19-045, **Version:** 1

- a. Set and hold a public hearing on June 4, 2019 at 1:30 PM to consider adopting a FY 2019-20 cost of living adjustment (COLA) increase of 3.5% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams and Administration; and
- b. Direct the Clerk of the Board of Supervisors to publish a hearing notice at least ten days prior to the date set for the hearing.

RECOMMENDATION:

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

- a. Set and hold a public hearing on June 4, 2019 at 1:30 PM to consider adopting a FY 2019-20 cost of living adjustment (COLA) increase of 3.5% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams and Administration; and
- b. Direct the Clerk of the Board of Supervisors to publish a hearing notice at least ten days prior to the date set for the hearing.

SUMMARY/DISCUSSION:

This report reflects the recently published 2019 Cost of Living Adjustment (COLA) of 3.5% for Zone 2C Operations and Maintenance and Administration (O&M). Ordinance No. 4203 governs Zone 2C assessments which the electorate of the Agency's Zone 2C approved for the Salinas Valley Water Project (SVWP).

Historically, the Agency utilizes approximately \$200,000 annually of Fund 116 unassigned fund balances to cover O&M expenditures. In FY 2016-17, the Board of Director's approved the Agency's request to set aside an annual amount of \$105,000 from Zone 2C Fund 116 unassigned fund balance to work on infrastructure deferred maintenance identified in the Capital Asset Management Plan (CAMP) which is kept separately from Fund 116 O&M budget. Therefore, the requested 3.5% COLA estimated increase of \$113,316 is needed to supplement the O&M annual budget. Unfortunately, the 3.5% COLA increase of \$113,316 will not cover all of repairs caused by the 2017 winter storms that eroded a section of the Nacimiento Spillway Plunge Pool or the State of California Department of Water Resources Division of Safety of Dams (DSOD) requirements.

In addition, this report requests that the Water Resources Board of Supervisors set and hold a public hearing for June 4, 2019 at 1:30 PM to consider adopting assessment rates as set forth in the Notice of Public Hearing relating to Zone 2C for Fiscal Year 2019-20, all identified in the Public Notice. Notices will be published at least ten days prior to the date set for this hearing.

OTHER AGENCY INVOLVEMENT:

This item was approved by the Monterey County Water Resources Agency Board of Directors on April 15, 2019.

FINANCING:

The requested COLA increase of 3.5% will increase FY 2019-20 Zone 2C estimated revenues as follows:

- Fund 116 O&M revenues will increase by an estimated \$113,316 from \$3,237,606 to \$3,350,922.

- Fund 116 Administration revenues will increase by an estimated \$13,357 from \$381,642 to \$394,999.
- The COLA increase does not impact the revenue collected for the SVWP Spillway and Diversion facility.
- Total COLA increase to Fund 116 O&M and Administrative Funds is estimated at \$126,674.
- The total amount of revenue collected in Fund 116 is estimated \$4,853,906.

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Attachments:

1. Public Notice
2. Resolution
3. Executed MCWRA Board Order