



Legislation Details (With Board Report)

File #: BC 18-140 **Name:** Budget Amendment #4 Funds 111, 116, 122, 130
Type: Budget Committee **Status:** Agenda Ready
File created: 10/30/2018 **In control:** Budget Committee
On agenda: 11/13/2018 **Final action:**
Title: Support amending the Water Resources Agency’s FY 2018-19 Adopted Budget to fund additional dam and Reclamation Ditch maintenance and operations:

a. Increase appropriations by \$90,000 in the WRA Administration Fund (111-9300-8267-WRA001) financed by unassigned fund balance;
b. Increase appropriations by \$200,000 in the Dam Operations Fund (116-9300-8485-WRA006) financed by unassigned fund balance;
c. Increase appropriations by \$70,000 in the Reclamation Ditch Fund (122-9300-8487-WRA012) financed by unassigned fund balance; and
d. Increase appropriations by \$80,000 in the Hydro-Electric Operations Fund (130-9300-8490-WRA022) financed by unassigned fund balance.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. FY 2018-19 Budget Amendment # 4 Summary

Date	Ver.	Action By	Action	Result
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Support amending the Water Resources Agency’s FY 2018-19 Adopted Budget to fund additional dam and Reclamation Ditch maintenance and operations:

- a. Increase appropriations by \$90,000 in the WRA Administration Fund (111-9300-8267-WRA001) financed by unassigned fund balance;
- b. Increase appropriations by \$200,000 in the Dam Operations Fund (116-9300-8485-WRA006) financed by unassigned fund balance;
- c. Increase appropriations by \$70,000 in the Reclamation Ditch Fund (122-9300-8487-WRA012) financed by unassigned fund balance; and
- d. Increase appropriations by \$80,000 in the Hydro-Electric Operations Fund (130-9300-8490-WRA022) financed by unassigned fund balance.

RECOMMENDATION:

It is recommended that the Budget Committee:

Support amending the Water Resources Agency’s FY 2018-19 Adopted Budget as follows:

- a. Increase appropriations by \$90,000 in the WRA Administration Fund (111-9300-8267-WRA001) financed by unassigned fund balance;
- b. Increase appropriations by \$200,000 in the Dam Operations Fund (116-9300-8485-WRA006) financed by unassigned fund balance;
- c. Increase appropriations by \$70,000 in the Reclamation Ditch Fund (122-9300-8487-WRA012) financed by

unassigned fund balance; and

d. Increase appropriations by \$80,000 in the Hydro-Electric Operations Fund (130-9300-8490-WRA022) financed by unassigned fund balance.

SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency (Agency) needs to increase appropriations to perform more Dam operations requirements and maintenance performance listed below:

- Fund 111 - WRA Administration Fund is the consolidation of many other funds including Lower Merritt Lake. The 200HP Pump in the Lower Merritt Lake Pump Station has been in disrepair for the last four years and this expenditure was omitted during the building of FY 2018-19 budget. Staff secured the appropriate contract to have the pump removed and rebuilt, the cost of which is \$75,000. Having borrowed \$60,000 from the budgeted ALERT grant and \$15,000 from a scheduled repair of a 15HP Cascade Lift Pump, the Agency is now returning those funds to the ALERT grant and the Lift Pump.
- Fund 116 - Dam Operations - The Federal Energy Regulatory Commission (FERC) requires the Agency to complete specific tasks within a timely matter. If such tasks are not completed before December 31, 2018, FERC could issue the Agency with limitation of reservoir storage, or the Agency could be fined \$22,000 per day for noncompliance and potentially revoke power production license from the Agency. The Board of Directors had authorized the General Manager to engage current contractors to provide services of up to \$200,000 for these tasks.
- Fund 122 - Reclamation Ditch - The Agency needs to increase appropriations by \$70,000 to cover the purchase of three new replacement tide gates because the old ones are wearing out due to aging issues. Two tide gates are for the larger upper gates and one for the smaller lower gates for a total of \$25,000. The additional \$45,000 is for pest control, traffic control during clean up, and garbage removal in the Reclamation Ditch area due to an increase in trash accumulation from nearby homeless encampments.
- Fund 130 - Hydro-Electric Operations - Agency needs to increase appropriation by \$80,000 in Fund 130 to cover the cost of providing required scheduling services through a Power Purchase Agreement.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office and County Counsel has reviewed this recommendation.

FINANCING:

There are sufficient fund balances to support the increase in appropriations for the Agency's FY 2018-19 Adopted Budget for Funds 111, 116, 122, and 130. If the recommendation is supported, the funds are estimated to have an ending unassigned fund balance of \$1.5 million, \$1.3 million, \$833,160, and \$1.1 million, respectively.

Prepared by: Brent Buche, Deputy General Manager, (831) 755-4860

Approved by:

David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:

FY 2018-19 Budget Amendment # 4 Summary