



## Legislation Details (With Board Report)

|                      |  |                      |                             |
|----------------------|--|----------------------|-----------------------------|
| <b>File #:</b>       | BC 19-123  | <b>Name:</b>         | Budget Amendment No. 2 - BC |
| <b>Type:</b>         | Budget Committee   | <b>Status:</b>       | Agenda Ready                |
| <b>File created:</b> | 11/1/2019  | <b>In control:</b>   | Budget Committee            |
| <b>On agenda:</b>    | 11/22/2019   | <b>Final action:</b> |                             |
| <b>Title:</b>        | Support adopting a resolution to amend the Water Resources Agency's FY 2019-20 Adopted Budget as follows:<br>a. Increase appropriations in Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) in the amount of \$300,000 financed by Unassigned Fund Balance; and<br>b. Increase appropriations in Fund 116 - Dam Operations (116-9300-8485-WRA006) in the amount of \$600,000 financed by a transfer in 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. Budget Committee Report, 2. Budget Amendment No. 2 Summary

| Date       | Ver. | Action By        | Action | Result |
|------------|------|------------------|--------|--------|
| 11/22/2019 | 1    | Budget Committee |        |        |

Support adopting a resolution 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; and

b. Increase appropriations in Fund 116 - Dam Operations (116-9300-8485-WRA006) in the amount of \$600,000 financed by a transfer in 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 Budget Committee:

Support adopting a resolution 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; and

b. Increase appropriations in Fund 116 - Dam Operations (116-9300-8485-WRA006) in the amount of \$600,000 financed by a transfer in of \$300,000 from Fund 130 - Hydro-Electric Operations (130-9300-8490-WRA022) and \$300,000 financed by Unassigned Fund Balance.

### SUMMARY/DISCUSSION:

The Monterey County Water Resources Agency (Agency) is working with the United States Fish and Wildlife Service (USFW) and the National Marine Fisheries Service (NMFS) to develop a Habitat Conservation Plan (HCP). Funding for tasks associated with the HCP was not included in the Agency's budget and this amendment will provide \$300,000 to continue defining the HCP's scope. To fund these efforts beyond the current fiscal year, the Agency applied for a \$1 million grant from the USFW; 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 to address its funding shortages and evaluating different revenue

sources. Following a six-month research process, staff determined that a viable option to partially address these shortages is a Proposition 218 special assessment election for deferred maintenance at San Antonio and Nacimiento Reservoirs, including 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 a Proposition 218 special assessment election. The recommendation to pursue a Proposition 218 special assessment was presented to the Board of Supervisors (BOS) at its November 5, 2019 meeting and the BOS approved the recommendation with the modification to have staff return at a later date with a revised scope for the Proposition 218. The BOS approved the agreement with Wallace Group. The \$300,000 required to fund the agreement is not currently in the Agency's budget. This report seeks approval to increase appropriations and fund this agreement out of Fund 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 out to fund an increase in appropriations in Fund 116 - Dam Operations to cover the anticipated costs of the HCP. 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.

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

Approved by:        \_\_\_\_\_

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

Attachments: Budget Amendment No. 2 Summary