



County of Monterey

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

Board Report

File #: WRAG 15-019, **Version:** 1

Receive an update on the Monterey County Water Resources Fiscal Year 2015-16 Budget and request financial assistance from Monterey County. (ADDED VIA ADDENDUM)

RECOMMENDATION:

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

Receive an update on the Monterey County Water Resources FY 2015-16 Budget and request financial assistance from Monterey County.

SUMMARY/DISCUSSION:

On March 23, 2015 the Monterey County Water Resources Agency Board of Directors approved the Agency's FY 2015-16 Requested Budget, excluding payment of the Monterey Regional Water Pollution Control Agency's budgeted indirect costs until both Agencies agree upon a transparent methodology for budgeted indirect costs rather than a pre-determined flat rate of 10% on all expenses except for utilities (5%) and chemicals (5%). In addition, the Water Resources Agency Board of Directors directed Staff to:

- Transfer \$400,000 to fund activities otherwise funded by Hydroelectric revenue from the Fund 303 (Rate Stabilization Reserve) to supplement Water Quality and Hydrology Program activities in Funds 113-Countywide, 114-Nacimiento Non-Operations & Maintenance, and 115- San Antonio Non-Operations & Maintenance;
- Find a revenue source of approximately \$350,000 for the Salinas River Diversion Facility fish monitoring requirements and if no revenue source is found determine the risk of not performing these activities;
- Transfer \$125,000 from Fund 116 (Cloud Seeding Reserve) into Fund 116 (Operations and Maintenance.); and,
- Recommend that a Public Hearing be held on June 23, 2015 at 1:30 p.m. for a 2.5% COLA increase on Agency assessments.

The Agency is faced with budget challenges as the drought continues to keep the Hydroelectric plant operating at minimum capacity. Anticipated revenue is expected to be \$700,000 less than prior years. In addition, the Agency has been tasked to pursue unfunded projects such as the Interlake Tunnel, 11043 Water Rights, Salinas River Stream Maintenance Program including the Lagoon, Castroville Seawater Intrusion Project Expansion and Sustainable Groundwater Management Act. The Agency will be requesting \$4,600,000 in financial assistance from the County of Monterey to fund these unbudgeted projects.

OTHER AGENCY INVOLVEMENT:

Water Resources Agency Board of Directors.

Due to late submission of this Board report, the CAO Budget and Analysis Division was not provided adequate

time to review for potential fiscal, organizational, policy or other implications to the County of Monterey.

FINANCING:

This is an informational report and as such there is no fiscal impact that would result from the receipt of this report.

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Attachments:

- MCWRA Budget Augmentation Requests for Next Five Years
- Personnel and Salaries
- Fund 111 Administration Cost
- FY 2015-2016 Preliminary Budget
- Comprehensive Salinas Valley Basin Sustainability Approach