



County of Monterey

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

Board Report

File #: WRAG 18-129, **Version:** 1

- a. Hold a Public Hearing date on June 5, 2018 at 10:30 A.M. to consider adopting assessment rate charges with a 3.6% increase for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration; and
- b. Approve and adopt a FY 2018-19 cost of living adjustment (COLA) of 3.6% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration.

RECOMMENDATION:

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

- a. Hold a Public Hearing date on June 5, 2018 at 10:30 A.M. to consider adopting assessment rate charges with a 3.6% increase for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration; and
- b. Approve and adopt a FY 2018-19 cost of living adjustment (COLA) of 3.6% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration.

SUMMARY/DISCUSSION:

This report reflects the recently published 2018 Cost of Living Adjustment (COLA) of 3.6% 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).

In prior fiscal year's the Agency utilized approximately \$200,000 annually of Fund 116 unassigned fund balance 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. However, this fiscal year's Fund 116 budget balances revenues with expenditures in Fund 116 because it's fund balance is too low to budget major repairs at the Dams. This 3.6% COLA increase of \$112,504 is needed to supplement the O&M annual budget for day to day operations of the Nacimiento and San Antonio Dams. The requested 3.6% COLA increase of \$112,504 will not cover the 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, the \$13,362 increase for the Zone 2C Administration will support Agency efforts to upgrade the Assessment database and general support for oversight of the real properties challenges at the reservoirs.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

The requested COLA increase of 3.6% will increase FY 2018-19 Zone 2C revenues as follows:

- Fund 116 O&M will increase by \$112,504 from \$3,125,102 to 3,237,606
- Fund 116 Administration will increase by \$13,262 from \$368,380 to 381,642
- The COLA increase does not impact the revenue collected for the SVWP Spillway \$443,406 and Diversion facility \$664,579

- Total COLA increase to Fund 116 O&M and Administrative Funds is \$125,765
- The total amount of revenue collected in Fund 116 is \$4,727,232

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Approved by: _____
David E. Chardavoyne, General Manager (831) 755-4860

Attachments:

1. Public Notice
2. Board Order
3. Resolution