



County of Monterey

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

Board Report

File #: WRAG 19-064, **Version:** 1

- a. Hold a Public Hearing date on June 4, 2019 at 1:30 P.M. to consider adopting assessment rate charges for Fiscal Year 2019-20 with a 3.5% Cost of Living Adjustment (COLA) increase for Zones 2B, 2Y, 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP), and the CSIP Water Delivery and Water Service Charges; and
- b. Approve and adopt a FY 2019-20 COLA increase of 3.5% for Zones 2B, 2Y and 2Z, and the CSIP Water Delivery and Water Service Charges.

RECOMMENDATION:

Recommend that the Monterey County Water Resources Agency Board of Supervisors:

- a. Hold a Public Hearing date on June 4, 2019 at 1:30 P.M. to consider adopting assessment rate charges for Fiscal Year 2019-20 with a 3.5% Cost of Living Adjustment (COLA) increase for Zones 2B, 2Y, 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP), and the CSIP Water Delivery and Water Service Charges; and
- b. Approve and adopt a FY 2019-20 COLA increase of 3.5% for Zones 2B, 2Y and 2Z, and the CSIP Water Delivery and Water Service Charges.

SUMMARY/DISCUSSION:

This board report requests the minimum annual 3.5% COLA increase for Zone 2B (CSIP project), Zone 2Y (operations and maintenance of CSIP), and Zone 2Z (operations and maintenance of the SVRP). The CSIP water delivery charge of \$6.04 will increase to \$6.25, and the water service charge of \$70.26 will increase to \$72.72.

Zones 2B, 2Y, and 2Z were established to provide revenue to construct, operate and maintain the CSIP and the SVRP, which includes debt service for the municipal bonds, a State Revolving Fund loan, and a Small Reclamation Projects loan from the U.S. Bureau of Reclamation that funded the construction of the projects. The operation of the CSIP and SVRP assists in the reduction of seawater intrusion in the groundwater aquifers in the Salinas Valley by providing an alternative source of irrigation water in the form of recycled water. This will reduce the reliance on groundwater pumping in the northern portion of the Salinas Valley.

The Agency Act (Water Code § 52) and Ordinances Nos. 3635 and 3636 require the adoption of annual resolutions by the Agency's Board of Supervisors to continue the assessments, water delivery charge, and water service charge for the CSIP and SVRP.

OTHER AGENCY INVOLVEMENT:

No other agencies were involved in preparing this report.

FINANCING:

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

- Zone 2B Fund 119 was closed due to new accounting practice in FY 2018-19. Based on past transferring history, 79% of revenues should go to Fund 131 and 21% of revenues to Fund 132.

- Zone 2Y Fund 131 will increase estimated revenues by \$136,957 bringing total estimated revenues from \$3,913,045 to \$4,050,002.
- Zone 2Z Fund 132 will increase estimated revenues by \$142,858 bringing total estimated revenues from \$4,081,648 to \$4,224,506.
- The Water Delivery Fee will increase from \$6.04 to \$6.25 per acre foot to a total estimated revenue increase of \$4,772 bringing total estimated revenues from \$137,338 to 142,145.
- The Water Service Fee will increase from \$70.19 to \$72.72 per acre foot to a total estimated revenue increase of \$55,946 bringing total estimated revenues from \$1,598,450 to \$1,654,395.

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Approved by: Shauna Lorange, Interim General Manager, (831) 755-4860

Attachments:

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