



County of Monterey

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

Board Report

File #: WRAG 19-066, **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 Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams and Administration; and
- b. Approve and adopt a FY 2019-20 (COLA) increase of 3.5% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams and Administration.

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 Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams and Administration; and
- b. Approve and adopt a FY 2019-20 (COLA) increase of 3.5% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams and Administration.

SUMMARY/DISCUSSION:

This report reflects the recently published 2019 Cost of Living Adjustment (COLA) of 3.5% 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).

Historically, the Agency annually utilizes approximately \$200,000 in fund balance from Fund 116 to cover O&M expenditures. In FY 2016-17, the Board of Directors approved the Agency's request to annually set aside \$105,000 in fund balance to work on infrastructure deferred maintenance identified in the Capital Asset Management Plan (CAMP), these funds are kept in a separate balance sheet account within Fund 116. Therefore, the requested 3.5% COLA estimated increase of \$113,316 is needed to supplement the O&M annual budget.

Unfortunately, the 3.5% COLA increase of \$113,316 will not cover all of 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) repairs.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

The requested COLA increase of 3.5% will increase FY 2019-20 Zone 2C estimated revenues as follows:

- Fund 116 O&M revenues will increase by an estimated \$113,316 from \$3,237,606 to \$3,350,922.
- Fund 116 Administration revenues will increase by an estimated \$13,357 from \$381,642 to \$394,999.
- The COLA increase does not impact the revenue collected for the SVWP Spillway and Diversion facility.
- Total COLA increase to Fund 116 O&M and Administrative funds is estimated at \$126,674.

- The total amount of revenue collected in Fund 116 is estimated \$4,853,906.

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

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

Attachments:

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