



County of Monterey

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

Board Report

File #: WRAG 20-145, **Version:** 1

Support approval and adoption of:

- a. A FY 2020-21 cost of living adjustment (COLA) increase of 2.9% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration; and
- b. Setting and holding a public hearing on June 2, 2020 at 1:30 PM to consider adopting assessment rate charges; and
- c. Directing the Clerk of the Board of Supervisors to publish a hearing notice at least ten days prior to the date set for the hearing.

RECOMMENDATION:

Recommend that the Monterey County Water Resources Agency Finance Committee support approval and adoption of:

- a. A FY 2020-21 cost of living adjustment (COLA) increase of 2.9% for Zone 2C Operations and Maintenance of Nacimiento and San Antonio Dams, and Administration; and
- b. Setting and holding a public hearing on June 2, 2020 at 1:30 PM to consider adopting assessment rate charges; and
- c. Directing the Clerk of the Board of Supervisors to publish a hearing notice at least ten days prior to the date set for the hearing.

SUMMARY/DISCUSSION:

This report reflects the recently published 2020 Cost of Living Adjustment (COLA) of 2.9% 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).

The Agency continues to seek funding sources to address revenue shortages in dam operations. Currently, the State of California Department of Water Resources Division of Safety of Dams (DSOD) has a requirement that the San Antonio Spillway is replaced or repaired by November 2024 with an estimated cost of \$60 million. Additionally, the Agency has identified 32 other repair projects at both dams which combined with the San Antonio Spillway repair total \$145 million. To fund these projects the Agency is currently pursuing a Proposition 218 vote and staff are working on developing an Engineer's Report with the goal for a vote sometime in 2020.

In addition, this report requests that the Water Resources Board of Supervisors set and hold a public hearing for June 2, 2020 at 1:30 PM to consider adopting assessment rates as set forth in the Notice of Public Hearing relating to Zone 2C for Fiscal Year 2020-21, all identified in the Public Notice. Notices will be published at least ten days prior to the date set for this hearing.

OTHER AGENCY INVOLVEMENT:

None

FINANCING:

The requested COLA increase of 2.9% will increase FY 2020-21 Zone 2C estimated revenues as follows:

- Fund 116 O&M revenues will increase by an estimated \$98,374 from \$3,392,218 to \$3,490,593
- Fund 116 Administration revenues will increase by an estimated \$19,661.32 from \$677,976 to \$697,638
- 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 \$118,036
- The total revenue for Zone 2C assessment is estimated at \$5,025,754.

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Attachments:

1. Public Notice