



County of Monterey

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

Board Report

File #: WRAG 20-224, **Version:** 1

- a. Hold a public hearing on June 2, 2020 at 1:30 p.m. to consider approving and adopting assessment rate charges for FY 2020-21 with a cost of living adjustment (COLA) increase of 2.9% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP), and for the CSIP water delivery charge and water service charge; and
- b. Approve and adopt a FY 2020-21 COLA increase of 2.9% 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 on June 2, 2020 at 1:30 p.m. to consider approving and adopting assessment rate charges for FY 2020-21 with a cost of living adjustment (COLA) increase of 2.9% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP), and for the CSIP water delivery charge and water service charge; and
- b. Approve and adopt a FY 2020-21 COLA increase of 2.9% for Zones 2B, 2Y and 2Z, and the CSIP Water Delivery and Water Service Charges

SUMMARY/DISCUSSION:

This board report requests a 2.9% COLA increase for Zone 2B (CSIP project), Zone 2Y (operations and maintenance of CSIP), and Zone 2Z (operations and maintenance of the SVRP) based on the February 2020 San Francisco Area Consumer Price Index. The CSIP water delivery charge of \$6.25 will increase to \$6.43, and the water service charge of \$72.72 will increase to \$74.83.

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 which was paid off in 2018, 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 Monterey County Water Resources Agency Act (California Water Code, Appendix § 52) and Ordinances Nos. 3635 and 3636 require the adoption of annual resolutions by the Agency Board of Supervisors to continue the assessments, water delivery charge, and water service charge for the CSIP and SVRP.

OTHER AGENCY INVOLVEMENT:

The Monterey County Water Resources Agency Board of Directors recommended this action to move forward at its April 20, 2020 meeting.

FINANCING:

The requested COLA increase of 2.9% will increase FY 2020-21 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% should go to Fund 131 and 21% to Fund 132.

- Revenue for Zone 2B will increase by an estimated \$106,830 bringing total transferable revenues from \$3,683,797 to \$3,790,627.
- Zone 2Y Fund 131 will increase estimated revenues by \$32,575 bringing total estimated revenues from \$1,123,278 to \$1,155,853.
- Zone 2Z Fund 132 will increase estimated revenues by \$99,547 bringing total estimated revenues from \$3,432,657 to \$3,532,204.
- Water Delivery Fee will increase from \$6.25 to \$6.43 per acre foot to a total estimated revenue increase of \$4,115 bringing total estimated revenues from \$141,904 to \$146,019 based on 22,700 AF delivered.
- Water Service Fee will increase from \$72.72 to \$74.83 per acre foot to a total estimated revenue increase of \$47,872 bringing total estimated revenues from \$1,650,759 to \$1,698,631 based on 22,700 AF delivered.

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Approved by: _____
 Brent Buche, General Manager, (831) 755-4860

Attachments:

1. Executed MCWRA Board Order
2. Resolution