



County of Monterey

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

Board Report

File #: WRAG 20-225, **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 Zone 2C Operations, Maintenance, and Administration of Nacimiento and San Antonio Dams; and
- b. Approve and adopt a FY 2020-21 COLA increase of 2.9% for Zone 2C Operations, Maintenance, and Administration of Nacimiento and San Antonio Dams.

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 Zone 2C Operations, Maintenance, and Administration of Nacimiento and San Antonio Dams; and;
- b. Approve and adopt a FY 2020-21 COLA increase of 2.9% for Zone 2C Operations, Maintenance, and Administration of Nacimiento and San Antonio Dams.

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).

Zone 2C assessments have been historically insufficient to fund Operations and Maintenance at the two dams. These shortages have resulted in Agency deferring a total of 32 repair projects totaling approximately \$85 million. This combined with requirements from the State of California Department of Water Resources Division of Safety of Dams (DSOD) to repair or replace the San Antonio Spillway by November 2024 with an estimated cost of approximately \$60 million has resulted in total unfunded costs of \$145 million. The 2.9% increase will fund some ongoing Operations & Maintenance costs but will not provide the funding necessary to address the needs of Zone 2C.

This report requests that the Water Resources Agency Board of Supervisors hold a public hearing on June 2, 2020 at 1:30 PM to consider approving and 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 have been published once a week for two consecutive weeks prior to the hearing on May 21, 2020 and May 28, 2020.

OTHER AGENCY INVOLVEMENT:

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

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 \$11,357 from \$391,636 to \$402,994
- 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 \$109,732
- The total revenue for Zone 2C assessment is estimated at \$5,017,450.

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

Attachments:

1. Executed MCWRA Board Order
2. Resolution