



County of Monterey

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

Board Report

File #: WRAG 20-292, **Version:** 1

Receive a report on the impact to the Agency's FY 2020-21 budget due to an increase in Countywide Cost Allocation Plan ("COWCAP") costs in the amount of \$406,987 and the actions taken by staff to fund the increase.

RECOMMENDATION:

It is recommended that the Finance Committee:

Receive a report on the impact to the Agency's FY 2020-21 budget due to an increase in Countywide Cost Allocation Plan ("COWCAP") costs in the amount of \$406,987 and the actions taken by staff to fund the increase.

SUMMARY/DISCUSSION:

On April 20, 2020 the Water Resources Agency Board of Directors ("BOD") received, approved and recommended for approval by the Water Resources Board of Supervisors ("BOS") the Water Resources Agency's ("Agency") FY 2020-21 requested budget. The budget identified \$34 million in expenditures, \$28 million in revenues and \$6 million in Fund Balance usage. Included in the \$34 million expenditures was an allocation of \$1.4 million for COWCAP costs based on figures provided by the Auditor Controller's Office ("ACO") in January 2020 based on a COWCAP report that had been submitted, but not approved, to the California State Controller's Office.

On May 29, 2020, the ACO released the approved COWCAP report and the revised report resulted in an increase of \$406,987 to the Agency. The total COWCAP increased from \$1,428,883 to \$1,835,870 due to omitted utility costs from the January report.

On June 15, 2020 Agency staff brought recommendations to the BOD on how to fund the increase in COWCAP costs. These included; 1) Absorb costs within the current budget figures, 2) Utilize Fund Balance to fund the increase, 3) Request funding from the County of Monterey to fund the increase, and 4) Other options not identified by staff. Upon hearing the recommendations, the BOD recommended a combination of options 1, 2 and 3. Staff utilized this approach and reduced the Agency's budget by \$394,778. This amount is made up of reductions to equipment purchases in the amount of \$170,567, reductions to consultant costs in the amount of \$179,188 and reductions to Salaries and Benefits in the amount of \$45,023 by delaying the hiring of a Senior Hydrologist to September 2020. The remaining \$12,209 was funded by utilizing Fund Balance and increasing appropriations in Fund 121 in the amount of \$8,139 and Fund 124 in the amount of \$4,070.

This report seeks to update the BOD of the actions taken by staff to fund the increase in the Agency's FY21 COWCAP in the amount of \$406,987.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

The financial impact of this action resulted in reductions to Agency's FY21 budget in the amount of \$394,778

and additional usage of Fund Balance in the amount of \$12,209 for a total amount of \$406,987.

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Attachments:

FY21 COWCAP Impact Summary