



County of Monterey

Item No.5

Board Report

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

Legistar File Number: WRAG 26-098

April 03, 2026

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Current Status: Agenda Ready

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Matter Type: WR General Agenda

Consider recommending that the Monterey County Water Resources Agency Board of Directors recommend to the Board of Supervisors of the Monterey County to adopt a resolution approving the Monterey County Water Resources Agency Fiscal Year 2026-27 (FY27) Recommended Budget.

RECOMMENDATION:

It is recommended that the Finance Committee:

Consider recommending that the Monterey County Water Resources Agency Board of Directors recommend to the Board of Supervisors of the Monterey County adopt a resolution approving the Monterey County Water Resources Agency Fiscal Year 2026-27 (FY27) Recommended Budget.

SUMMARY/DISCUSSION:

The Fiscal Year 2026-27 (FY27) Recommended Budget (Budget) for the Monterey County Water Resources Agency (Agency) totals \$48,798,639 in expenses and \$44,052,545 in revenue, reflecting a 12 percent increase from the prior year. FY27 expenditure exceeds anticipated revenue by \$4,746,094. The deficit will be funded through use of available fund balances.

The Budget funds 45 of the Agency's 57 authorized positions and includes \$10.0 million for salaries and benefits. Cost of consultant and contractor services rises to \$23.7 million, while insurance costs decrease to \$1.6 million. Debt service and related transfers total \$7.8 million.

On the revenue side, the Budget includes \$17.9 million in assessments, \$3.7 million in Ad Valorem taxes, \$4.1 million from Water Delivery charge and Service charges, \$1.5 million from program revenue, and \$8.8 million in grants. Despite these increases, expenditure exceed revenues by \$4.7 million, which will require use of fund balances.

The budget includes fund transfers totaling \$0.9 million. Of this amount, \$0.7 million will be transferred from Fund 1508 (Fund 130) Hydro-Electric Operations to Fund 1503 (Fund 116) Dam Operations to cover regulatory costs. An additional \$0.2 million will be transferred from Fund 1501 (Fund 111) Administration & Countywide Service to Fund 1507 (Fund 127) Moro Cojo Slough to address funding gaps.

The County of Monterey plans to replace the current Enterprise Resource Planning system (ERP) from CGI Advantage to Oracle Fusion ERP. The ERP project team plans to have ERP Financial system go live in July 2026. WRA's Fund and entity numbers will change to the following in Oracle ERP.

OTHER AGENCY INVOLVEMENT:

Staff worked with Monterey One Water for budgets of Agency's recycled water projects and Agency's Board of Directors reviewed the Budget at the budget workshop on March 16, 2026.

FINANCING:

Agency's FY27 Recommended Budget represents a statutorily balanced budget and meets all requirements for adoption.

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Approved by: Ara Azhderian, General Manager, (831) 755-4860

Attachments:

1. MCWRA FY2026-27 Recommended Budget Book
2. Board of Supervisor Budget Hearing Notice
3. Resolution