TODAY'S ACTION

Consider recommending that the Monterey County Water Resources Agency Board of Directors recommend the Monterey County Water Resources Agency Board of Supervisors:

a. Approve and adopt the Fiscal Year 2025-26 (FY26) cost-of-living adjustment (COLA) increase of **2.7% to WRA assessment charges** that are subjective to an annual COLA adjustment; and
b. Approve and adopt a COLA increase of **2.7% to the Zone 2B water service charge** for the Salinas River Diversion Facility Project (SRDF); and
c. Set and hold a public hearing on **May 28, 2025, at 9:00 a.m**. to consider approving and adopting the assessment rate charges; and
d. Direct the Clerk of the Board of Supervisors to **publish a hearing notice** once a week for two consecutive weeks prior to the date set for the hearing.

Prior Actions

- Reviewed Financial Impacts of COLA increases at MCWRA Board of Directors (BoD) Budget Workshop on 3/17/2025

Discussion

- Ordinances Nos. **2626, 2974, 3878 and 3881**:
  - **Flood Control Benefit Assessments** in **Zones 1, 1A, 8, 9, 12, and 17** to **maintain flood protection systems** thru vegetation management and rodent control, maintaining banks and silt removal in channels, removal of debris from ditches and drainage structures and maintenance of roads, fences and canals.
  - Assessment rates be increased **annually** as a **cost-of-living adjustment** (COLA) by the Consumer Price Index (**CPI**) of **the San Francisco Bay Area**

Discussion

- Ordinance Nos. **3635 and 3636**:
  - **Assessments in Zones 2B, 2Y and 2Z** provide funding to operate and maintain the **CSIP** and **SVRP** as well as the funding necessary to make debt payments to the U.S. Bureau of Reclamation for the loans that funded these projects.

- **Resolution 10-188:**
  - **Water Service charge** provides the funding to operate the Salinas River Diversion Facility (**SRDF**).

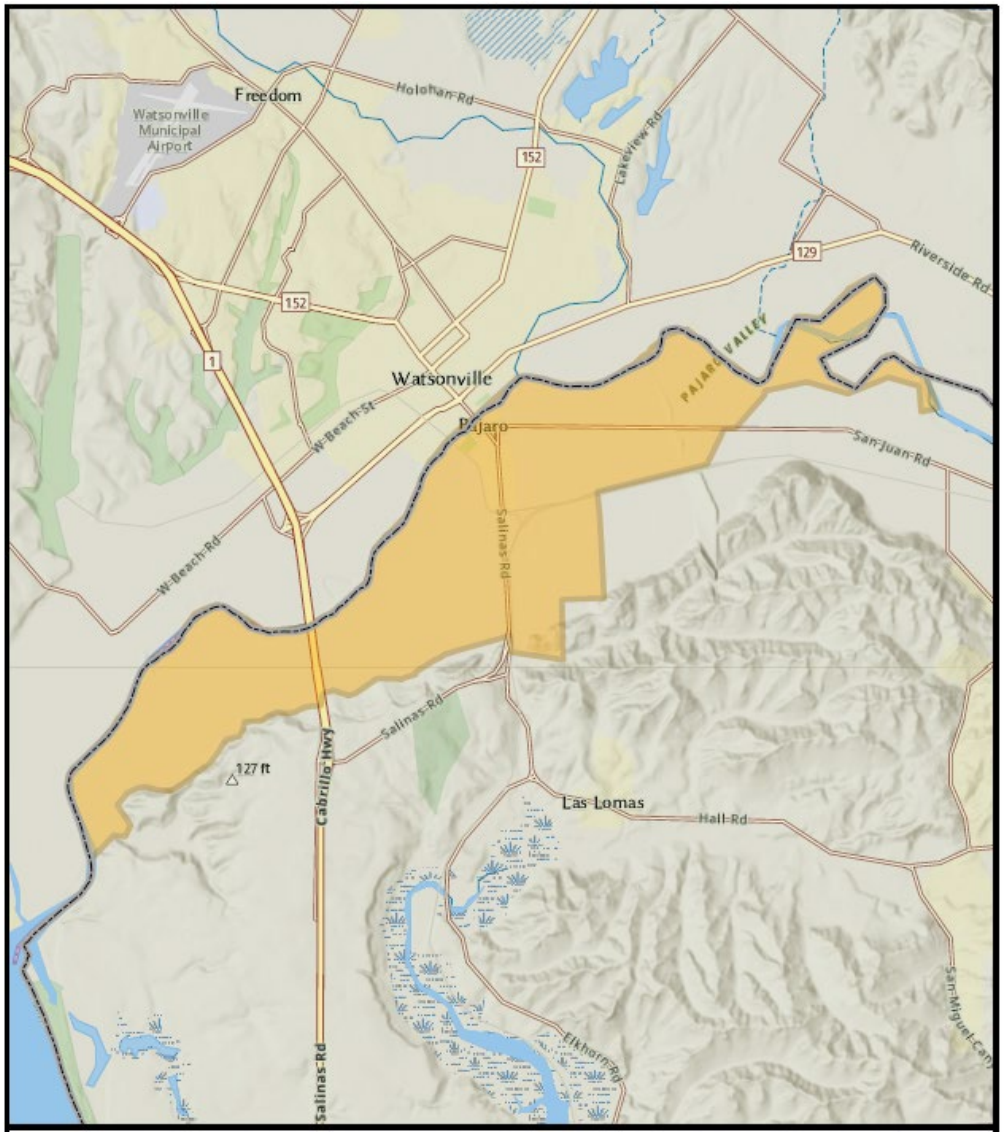
- Annual a cost-of-living adjustment (**COLA**) by the Consumer Price Index (**CPI)** of **the San Francisco Bay Area** measured from **March 1 of each year to March 1** of the next year is allowed by the Ordinances and the Resolution.

Discussion

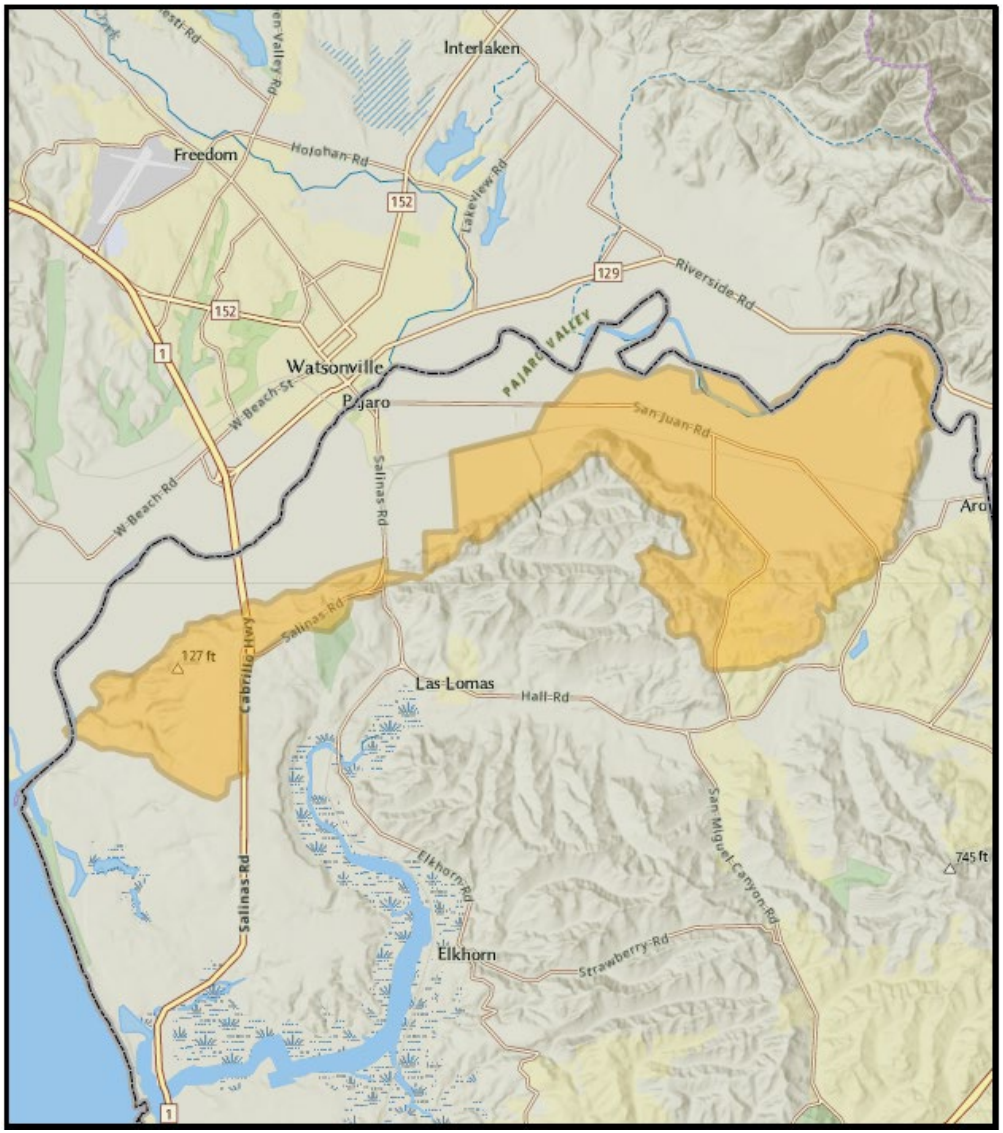
- Ordinance No. **4203** :
  - Assessments in **Zone 2C** for the Salinas Valley Water Project (SVWP) to fund **Operations and Maintenance at Nacimiento Dam and San Antonio Dam**.
  - Assessment rates be increased annually as a cost-of-living Adjustment (**COLA)** by the Consumer Price Index (**CPI)** of the **San Francisco Bay Area** measured from **March 1 of each year to March 1** of the next year.
  - COLA adjustments be applied to the Operation and Maintenance and the Administration components **only.**

- On **March 12, 2025**, the U.S. Bureau of Labor Statistics released the February 2025 Consumer Price Index which increased **2.7%** from last year.

Zone 1 Boundary Pajaro



Zone 1A Boundary Pajaro



FY26 Rate : Zone 1

ZONE 1 BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	106	$ 375.18	106	$ 385.31
B	45	$ 375.18	45	$ 385.31
C	191	$ 93.81	191	$ 96.35
E	151	$ 93.81	151	$ 96.35
F	42	$ 7.62	42	$ 7.83
Total:	**535**		**535**	

A = Commercial and Industrial

B = Institutional (churches, schools, hospitals, apartments, multi-family)

C = Single Family Residence

E = Vacant, Agricultural

F = Vacant, Undisturbed, Natural Site

FY26 Rate : Zone 1A

ZONE 1A BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	34	$ 183.15	37	$ 188.10
B	5	$ 178.86	5	$ 183.69
C	371	$ 44.73	368	$ 45.93
E	173	$ 44.73	173	$ 45.93
F	399	$ 3.73	399	$ 3.83
Total:	**982**		**982**	

A = Commercial and Industrial

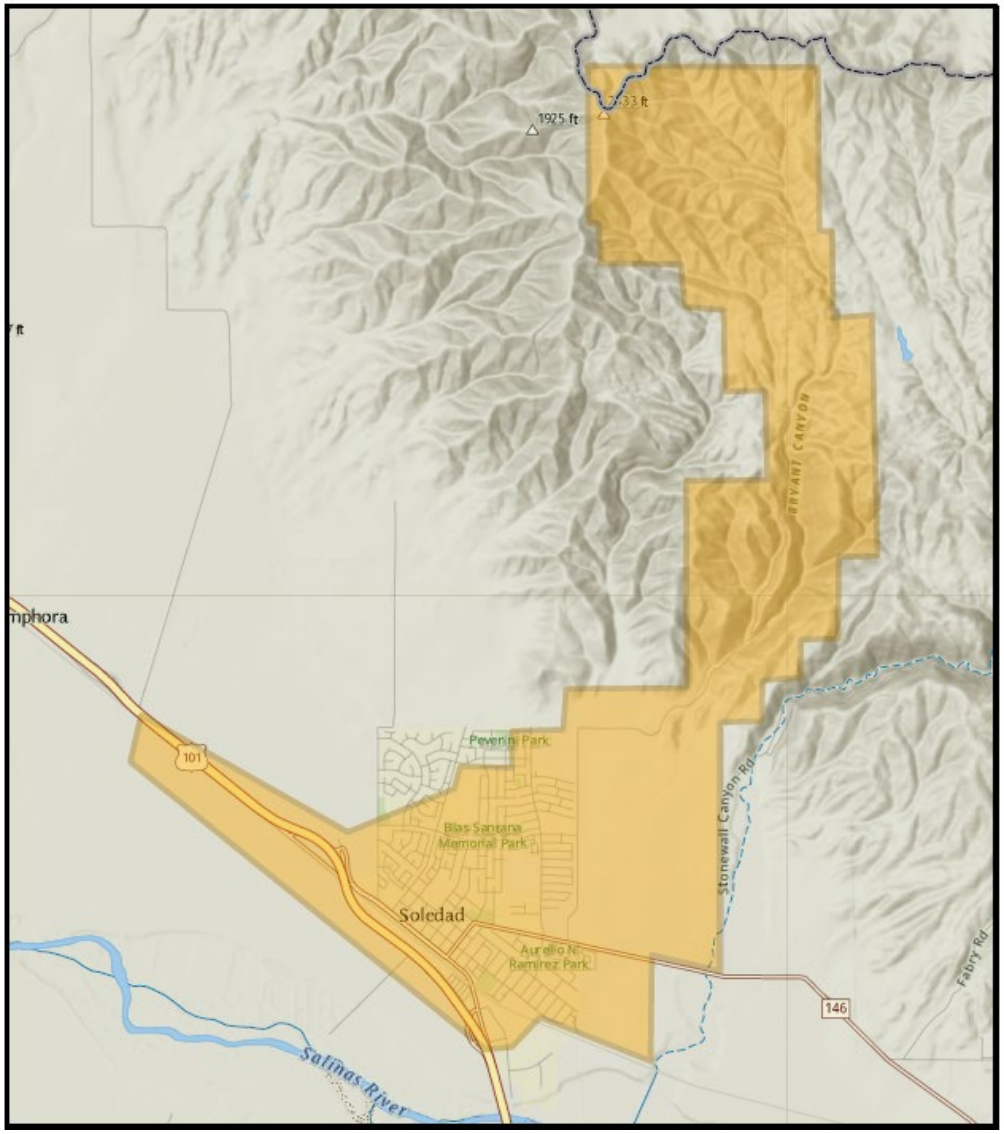
B = Institutional (churches, schools, hospitals, apartments, multi-family)

C = Single Family Residence

E = Vacant, Agricultural

F = Vacant, Undisturbed, Natural Site

Zone 8 Boundary: Soledad Storm Drain

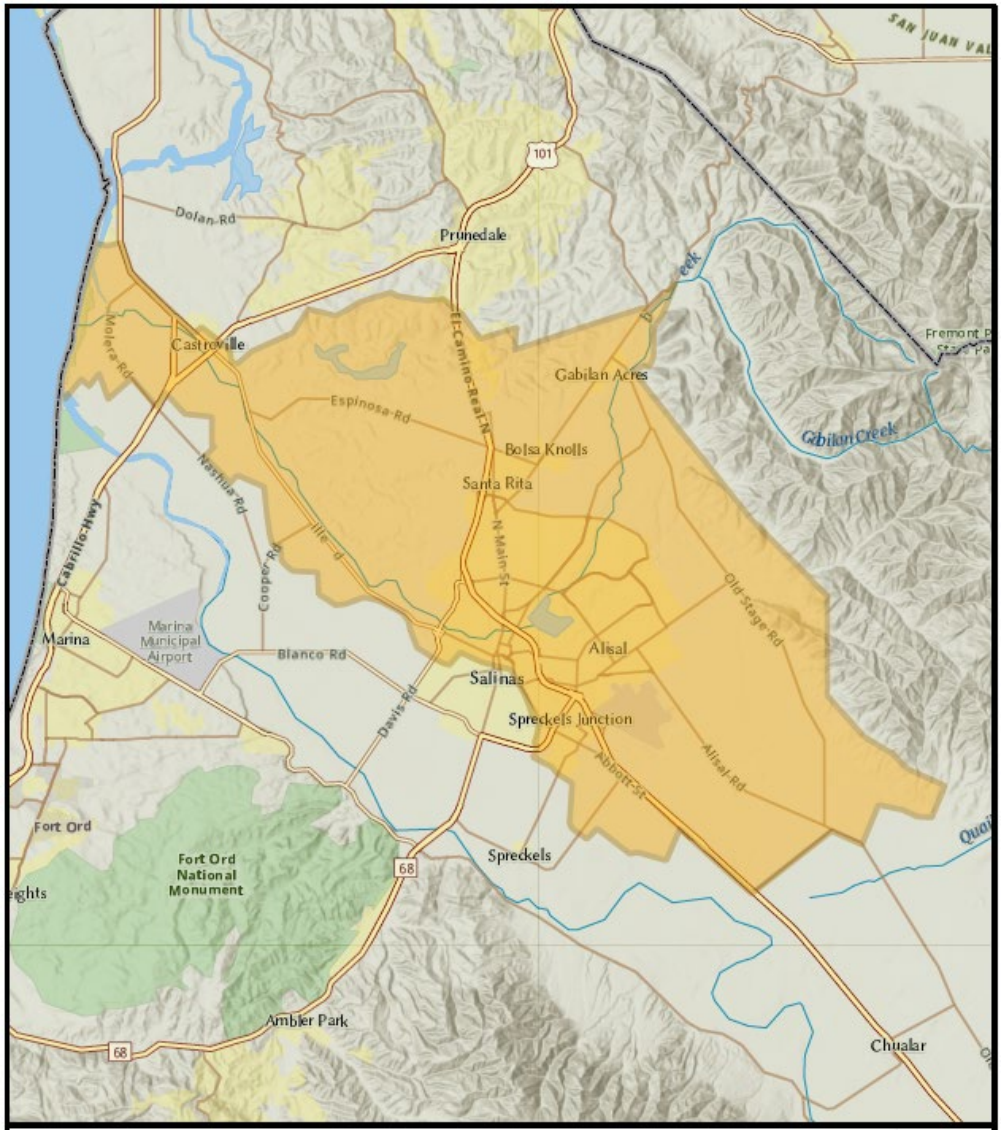


FY26 Rate : Zone 8

ZONE 8 BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	309	$ 73.66	400	$ 75.65
B	68	$ 53.96	69	$ 55.41
C	2,513	$ 9.00	2,623	$ 9.24
E	208	$ 18.02	119	$ 18.50
F	306	$ 9.00	311	$ 9.24
G	1	$ 0.90	1	$ 0.92
H	0	$ -	0	$ -
I	6	$ -	6	$ -
Total:	**3,411**		**3,529**	

A = Commercial and Industrial
B = Institutional (churches, schools, hospitals, apartments, multi-family)
C = Single Family Residence
E = Vacant, Agricultural, or open-space
F = Vacant, Undisturbed, Natural State
G = Undisturbed, natural state, grazing or vacant, slope greater than 35%
H = Wetlands and marshlands, undisturbed, periodically flooded
I = Land receiving no charge

Zone 9 Boundary: Reclamation Ditch

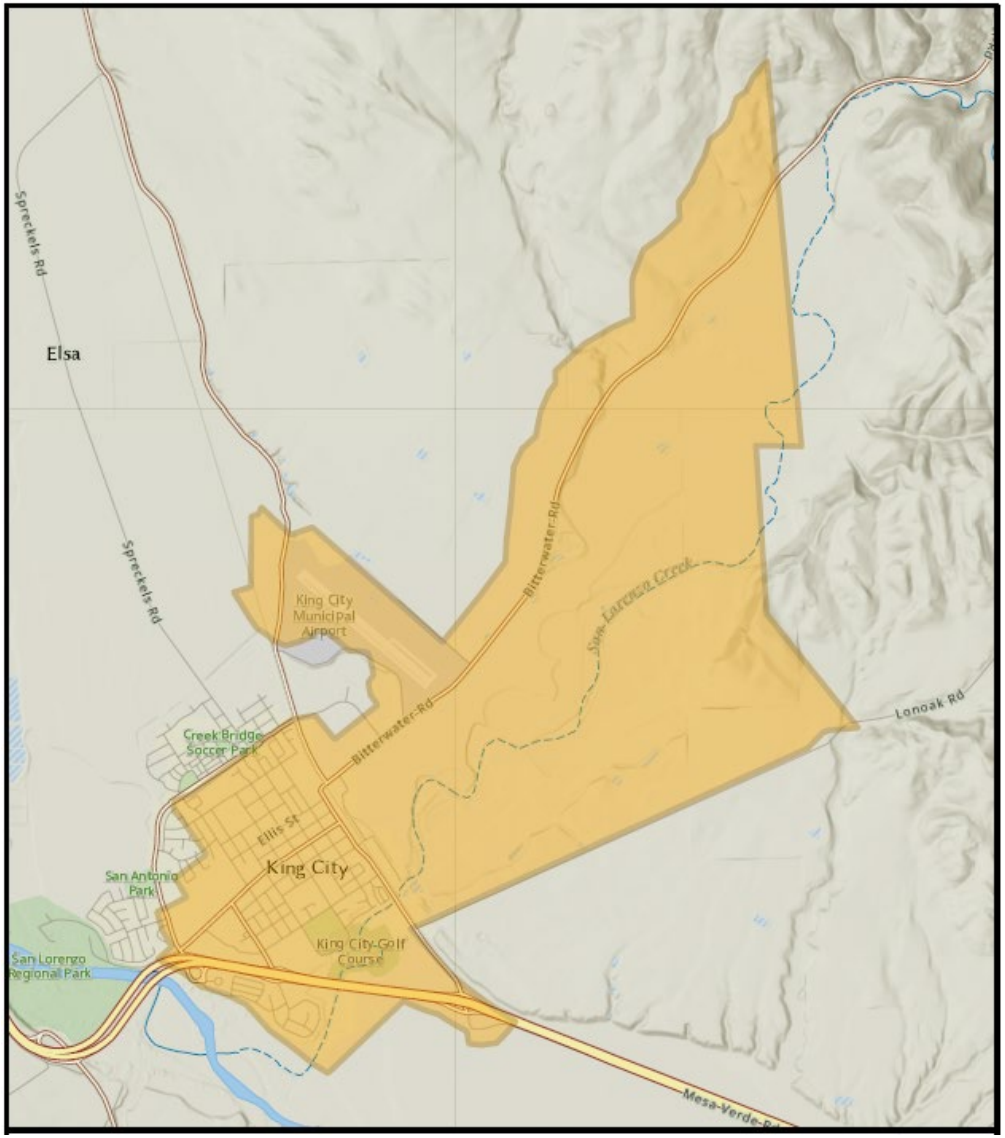


FY26 Rate : Zone 9

ZONE 9 BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	3,273	$ 77.90	3,265	$ 80.00
B	1,168	$ 57.05	1,170	$ 58.59
C	22,008	$ 9.52	22,007	$ 9.78
E	1,322	$ 19.02	1,316	$ 19.54
F	1,426	$ 9.52	1,421	$ 9.78
G	7	$ 0.95	7	$ 0.98
Total:	**29,204**		**29,186**	

A = Commercial and Industrial
B = Institutional (churches, schools, hospitals, apartments, multi-family)
C = Single Family Residence
E = Vacant, Agricultural, or open-space
F = Vacant, Undisturbed, Natural Site
G = Undisturbed, natural state, grazing or vacant, slope greater than 35%
H = Wetlands and marshlands, undisturbed, periodically flooded
I = Land receiving no charge

Zone 12 Boundary: San Lorenzo Creek



FY26 Rate : Zone 12

ZONE 12 BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	248	$ 27.68	249	$ 28.43
B	136	$ 20.28	136	$ 20.83
C	1,047	$ 3.38	1,055	$ 3.47
E	109	$ 6.76	102	$ 6.94
F	94	$ 3.38	93	$ 3.47
G	3	$ 0.35	3	$ 0.36
Total:	**1,637**		**1,638**	

A = Commercial and Industrial

B = Institutional (churches, schools, hospitals, apartments, multi-family)

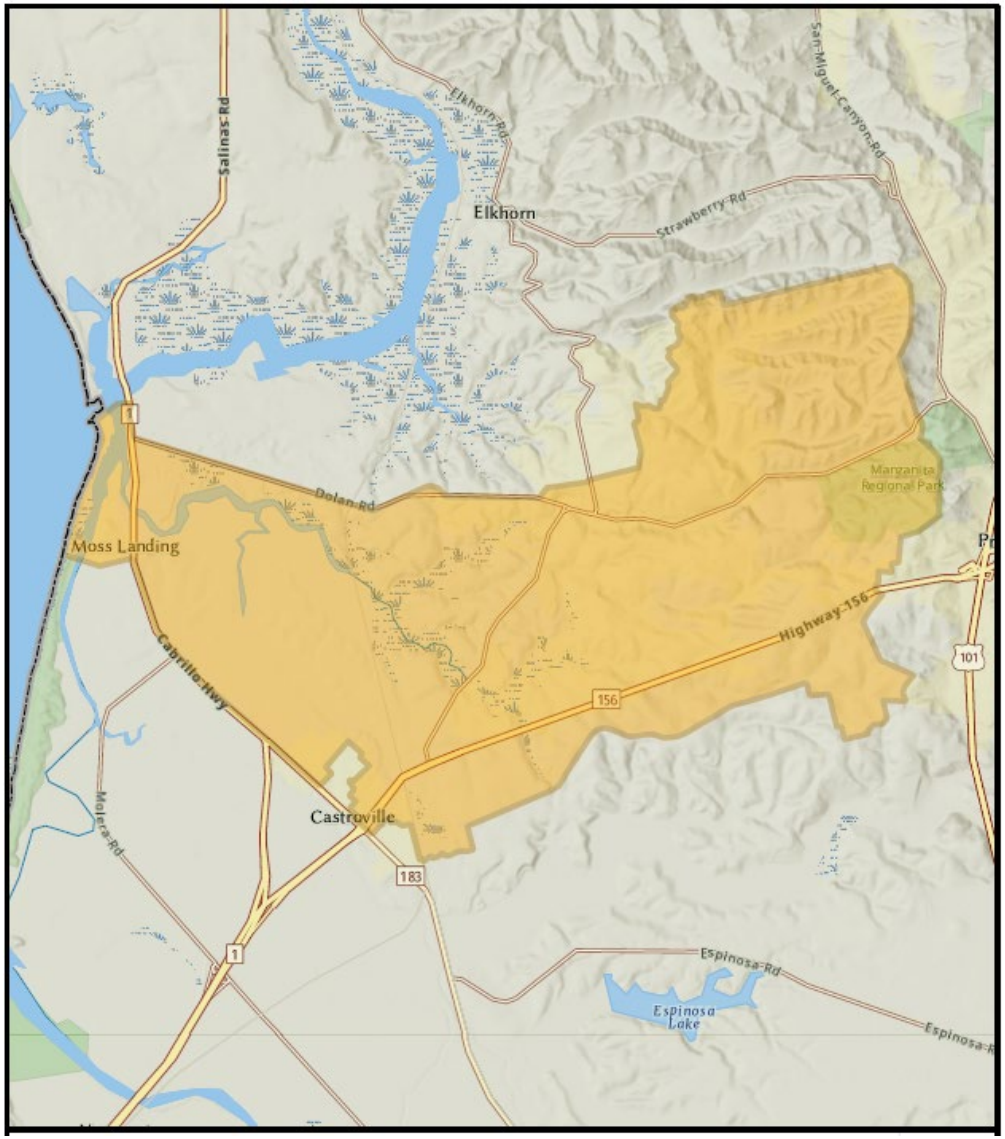
C = Single Family Residence

E = Vacant, Agricultural, or open-space

F = Vacant, Undisturbed, Natural Site

G = Undisturbed, natural state, grazing or vacant, slope greater than 35%

Zone 17 Boundary: Moro Cojo



FY26 Rate : Zone 17

ZONE 17 BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	126	$ 26.69	124	$ 27.41
B	66	$ 19.55	66	$ 20.08
C	2,191	$ 26.07	2,207	$ 26.77
E	1,081	$ 13.05	1,080	$ 13.40
F	749	$ 6.52	739	$ 6.69
G	20	$ 0.35	20	$ 0.36
H	5	$ -	5	$ -
I	3	$ -	3	$ -
Total:	**4,241**		**4,244**	

A = Commercial and Industrial

B = Institutional (churches, schools, hospitals, apartments, multi-family)

C = Single Family Residence

E = Vacant, Agricultural, or open-space

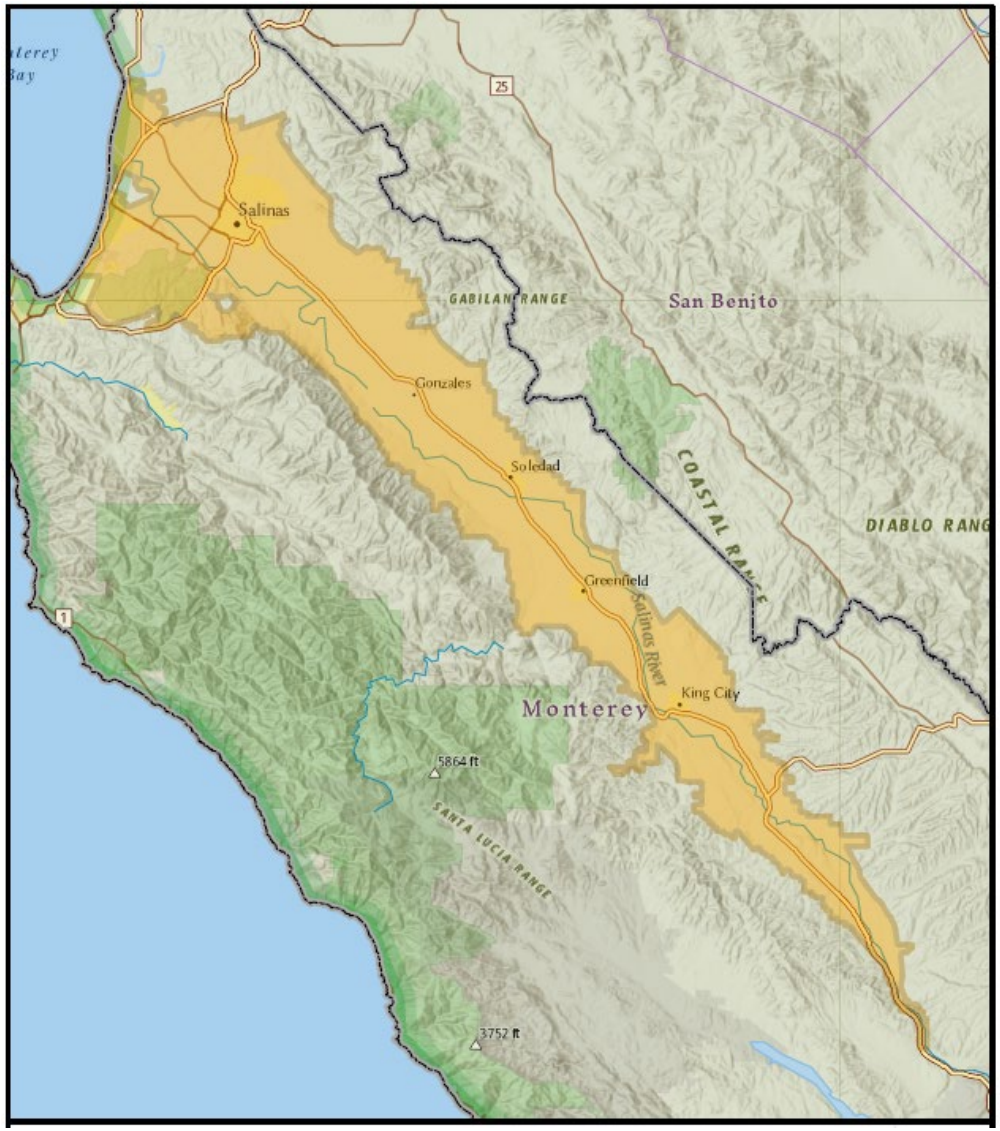
F = Vacant, Undisturbed, Natural Site

G = Undisturbed, natural state, grazing or vacant, slope greater than 35%

H = Wetlands and marshlands, undisturbed, periodically flooded

I = Land receiving no charge

Zone 2Y & Z Boundary: CSIP & SVRP



FY26 Rate : Zone 2Y (CSIP)

ZONE 2Y BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	52,195	$ 4.09	52,370	$ 4.20
B	4,632	$ 35.83	4,641	$ 36.79
C	3,668	$ 0.43	3,013	$ 0.45
D	265	$ -	266	$ -
H	1,110	$ 1.78	1,111	$ 1.82
Total:	**61,366**		**61,401**	

A = Irrigated Agricultural (North Valley), Residential (1-4 units)

B = Industrial, Apartments (over 4 units), Commercial, Institutional

C = Dry Farm, Grazing, Vacant

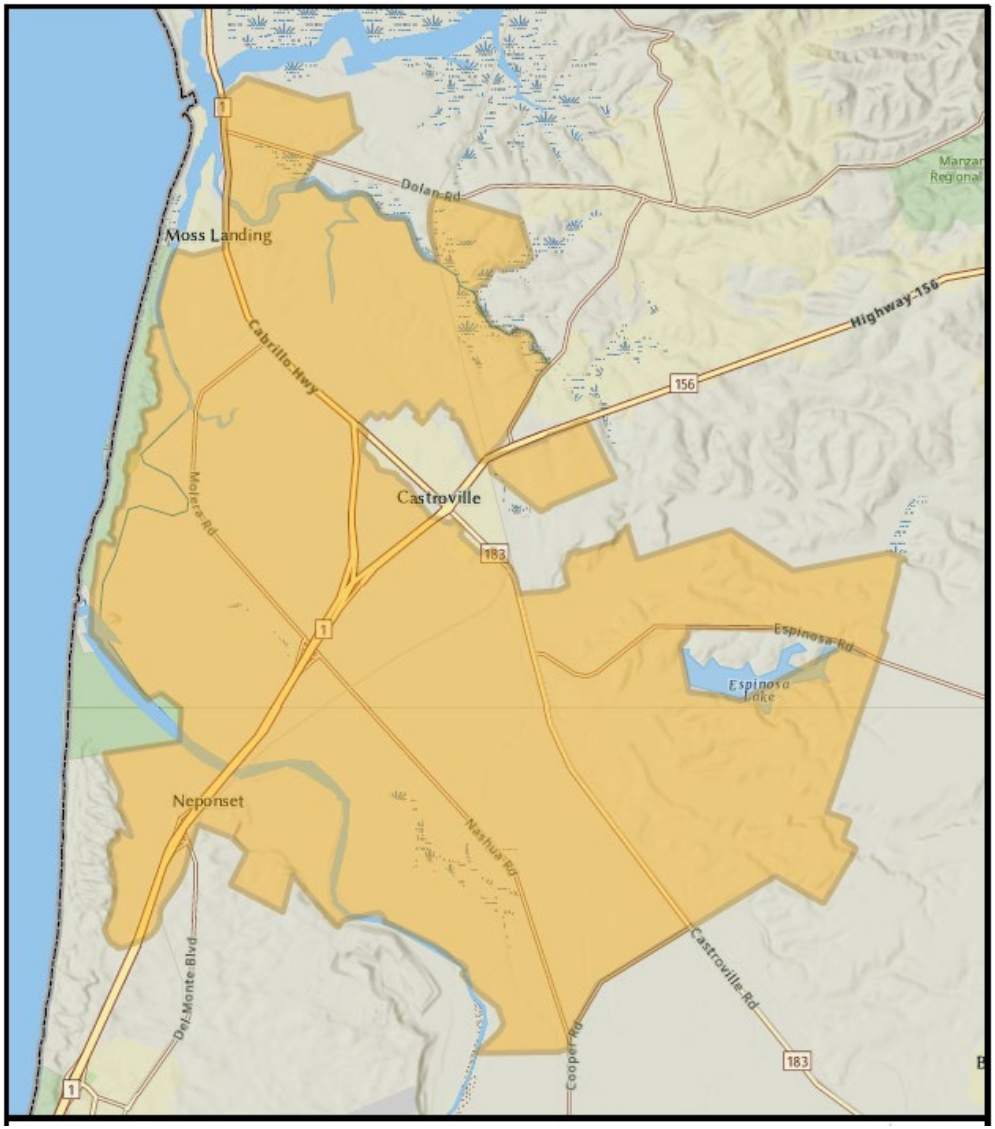
D = River Channels and Lands Subject to Frequent Flooding

H = Irrigated Agricultural (South Valley)

FY26 Rate : Zone 2Z (SVRP)

ZONE 2Z BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	52,194	$ 12.48	52,369	$ 12.81
B	4,630	$ 108.63	4,639	$ 111.57
C	3,670	$ 1.34	3,015	$ 1.38
D	265	$ -	266	$ -
H	1,110	$ 5.58	1,111	$ 5.73
Total:	**61,869**		**61,400**	
A = Irrigated Agricultural (North Valley), Residential (1-4 units)				
B = Industrial, Apartments (over 4 units), Commercial, Institutional				
C = Dry Farm, Grazing, Vacant				
D = River Channels and Lands Subject to Frequent Flooding				
H = Irrigated Agricultural (South Valley)				

Zone 2B Boundary: CSIP & SVRP



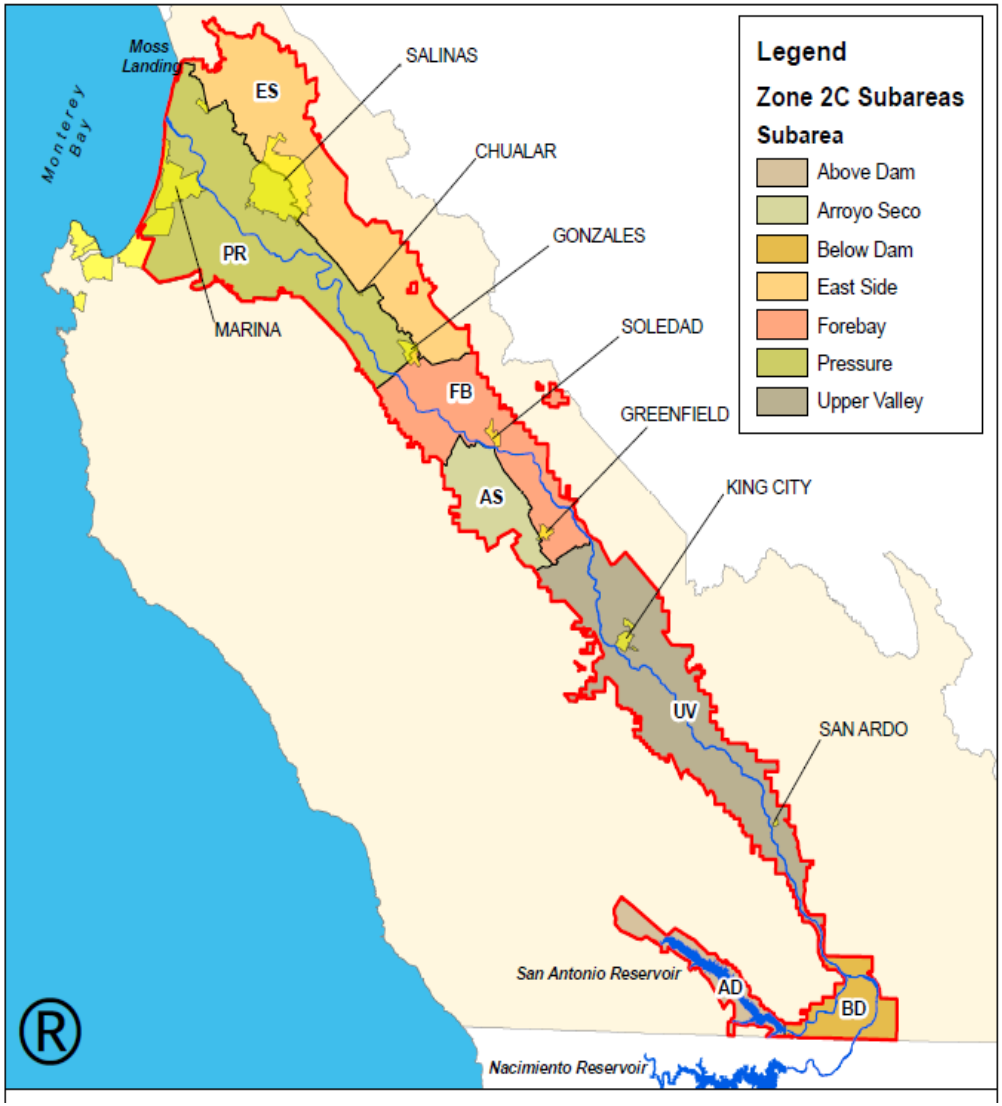
FY26 Rate : Zone 2B

ZONE 2B BENEFIT ASSESSMENTS				
Fiscal Year	**2024-2025**		**2025-2026**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	195	$ 355.44	194	$ 365.04
B	0	$ -	0	$ -
C	0	$ -	0	$ -
D	0	$ -	0	$ -
H	0	$ -	0	$ -
Total:	**195**		**194**	
A = Net Irrigated Agricultural (vicinity of Castroville)				
B = Industrial, Apartments (over 4 units), Commercial, Institutional				
C = Dry Farm, Grazing, Vacant				
D = River Channels and Lands Subject to Frequent Flooding				
H = Irrigated Agricultural (South Valley)				

FY26 Rate :
Water Delivery & Service Charge

WATER DELIVERY & SERVICE CHARGES		
Fiscal Year	**2024-2025**	**2025-2026**
Water Delivery Charge	$45.24	$85.24
Water Service Charge	$86.24	$88.57
Total:	**$131.48**	**$173.81**

Zone 2C Boundary:



FY26 Rate : Zone 2C
Operation & Maintenance

ZONE 2C BENEFIT ASSESSMENTS							
O&M of Nacimiento and San Antonio Dams							
Fiscal Year	2025-2026						
Subarea	Ext. Upper Valley Above Dam	Ext. Upper Valley Below Dam	Upper Valley	Forebay	Pressure	East Side	Arroyo Seco
Factor	Charge Per Acre						
A	12.60	13.53	12.16	12.62	26.65	14.47	4.65
B	12.60	13.52	12.16	12.62	26.65	14.47	4.65
C	1.22	1.37	1.20	1.22	2.61	1.46	0.46
D	0.13	0.17	0.13	0.13	0.24	0.17	0.05
I	-	-	-	-	-	-	-

A = Irrigated Agriculture
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land
C = Dry Farming, Grazing, Vacant Lot
D = River Channels and Lands with Frequent Flooding
I = Land receiving no charge

FY26 Rate : Zone 2C
Administration

ZONE 2C BENEFIT ASSESSMENTS							
Administration							
Fiscal Year	**2025-2026**						
Subarea	**Ext. Upper Valley Above Dam**	**Ext. Upper Valley Below Dam**	**Upper Valley**	**Forebay**	**Pressure**	**East Side**	**Arroyo Seco**
Factor	**Charge Per Acre**						
A	1.85	1.85	1.85	1.85	1.85	1.85	1.85
B	1.85	1.85	1.85	1.85	1.85	1.85	1.85
C	0.15	0.15	0.15	0.15	0.15	0.15	0.15
D	-	-	-	-	-	-	-
I	-	-	-	-	-	-	-
A = Irrigated Agriculture							
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land							
C = Dry Farming, Grazing, Vacant Lot							
D = River Channels and Lands with Frequent Flooding							
I = Land receiving no charge							

FY26 Rate : Zone 2C
Spillway Modification

ZONE 2C BENEFIT ASSESSMENTS							
Nacimiento Spillway Modification (NO COLA)							
Fiscal Year	**2025-2026**						
Subarea	**Ext. Upper Valley Above Dam**	**Ext. Upper Valley Below Dam**	**Upper Valley**	**Forebay**	**Pressure**	**East Side**	**Arroyo Seco**
Factor	**Charge Per Acre**						
A	1.82	1.28	1.04	1.14	2.86	2.18	0.46
B	1.82	1.28	1.04	1.14	2.86	2.18	0.46
C	0.18	0.12	0.10	0.10	0.28	0.22	0.04
D	0.02	-	-	-	0.02	0.02	-
A = Irrigated Agriculture							
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land							
C = Dry Farming, Grazing, Vacant Lot							
D = River Channels and Lands with Frequent Flooding							

FY26 Rate : Zone 2C
Diversion Facility Construction

ZONE 2C BENEFIT ASSESSMENTS							
Diversion Facility Construction (NO COLA)							
Fiscal Year	2025-2026						
Subarea	Ext. Upper Valley Above Dam	Ext. Upper Valley Below Dam	Upper Valley	Forebay	Pressure	East Side	Arroyo Seco
Factor	Charge Per Acre						
A	-	-	-	-	6.18	5.14	-
B	-	-	-	-	6.18	5.14	-
C	-	-	-	-	0.62	0.52	-
D	-	-	-	-	0.06	0.04	-
A = Irrigated Agriculture							
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land							
C = Dry Farming, Grazing, Vacant Lot							
D = River Channels and Lands with Frequent Flooding							

FY26 Recommended Budget

MCWRA Unassigned Fund Balance Summary									
Fund	Fund Name	Zone	FY25 Actual Beginning Balance	FY25 Estimated Changes	FY25 Ending Balance Estimates	FY26 Expense Budget	FY 26 Revenue Budget	FY26 Requested Use	FY26 Ending Balance Estimates
111	Administration Fund		4,241,073	252,281	4,493,354	5,591,321	5,363,908	(227,413)	4,265,941
112	Pajaro Levee - Zones	1/1A	963,440	381,365	1,344,805	891,499	687,003	(204,496)	1,140,309
116	Dam Operations	2C	1,700,408	(119,215)	1,581,193	11,835,605	11,209,013	(626,592)	954,601
121	Soledad Storm Drain	8	303,708	9,464	313,172	109,379	112,180	2,801	315,973
122	Reclamation Ditch	9	1,301,112	(14,932)	1,286,180	2,176,631	1,843,282	(333,349)	952,831
124	San Lorenzo Creek	12	36,598	459	37,057	56,033	49,898	(6,135)	30,922
127	Moro Cojo Slough	17	411,270	(27,703)	383,567	686,838	365,508	(321,330)	62,237
130	Hydro-Electric Ops		2,077,882	73,014	2,150,896	1,817,087	1,172,726	(644,361)	1,506,535
131	CSIP Operations	2B/2Y	2,439,324	(881,069)	1,558,255	6,664,214	6,423,278	(240,936)	1,317,319
132	SVRP Operations	2B/2Z	2,655,386	(257,966)	2,397,420	6,891,960	6,161,150	(730,810)	1,666,610
134	SRDF Operations		2,669,679	(388,424)	2,281,255	3,233,462	2,432,777	(800,685)	1,480,570
303	CSIP Debt Service		770,672	-	770,672	1,650,000	1,650,000	-	770,672
313	SVWP Debt Service		1,036,745	6,543	1,043,288	1,759,714	1,759,714	-	1,043,288
426	Interlake Tunnel		209,431	(60,977)	148,454	121,798	5,236	(116,562)	31,892
		Total:	**20,816,728**	**(1,027,160)**	**19,789,568**	**43,485,541**	**39,235,673**	**(4,249,868)**	**15,539,700**

TODAY'S ACTION

Consider recommending that the Monterey County Water Resources Agency Board of Directors recommend the Monterey County Water Resources Agency Board of Supervisors:

a. Approve and adopt the Fiscal Year 2025-26 (FY26) cost-of-living adjustment (COLA) increase of **2.7% to WRA assessment charges** that are subjective to an annual COLA adjustment; and
b. Approve and adopt a COLA increase of **2.7% to the Zone 2B water service charge** for the Salinas River Diversion Facility Project (SRDF); and
c. Set and hold a public hearing on **May 28, 2025, at 9:00 a.m**. to consider approving and adopting the assessment rate charges; and
d. Direct the Clerk of the Board of Supervisors to **publish a hearing notice** once a week for two consecutive weeks prior to the date set for the hearing.