

TODAY'S ACTION

Hold a public hearing to

- a. Consider approving and adopting Fiscal Year 2026-27 (**FY27**) rates with a cost-of-living adjustment (**COLA**) increase of **2.5%** for **Zones 2B, 2Y and 2Z assessments, and Water Delivery Charge and Water Service Charge in FY27**; and
- b. Consider **adopting a resolution** to:
 1. Approve the **FY27 COLA increase of 2.5% to assessments of Zones 2B, 2Y and 2Z** for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP);
 2. Approve the **FY27 Zone 2B Water Delivery charge of \$100.24** per acre-foot of water delivered for **CSIP and SVRP**; and
 3. Approve the **FY27 Zone 2B Water Service Charge of \$113.57** per acre-foot of water delivered for the Salinas River Diversion Facility (**SRDF**).



Prior Actions

- **CSIP Landowner Workshop** re: FY27 Water Delivery Fee on 3/3/2026
- Reviewed Financial Impacts of the proposed fees at MCWRA Board of Directors Budget Workshop on 3/16/2026
- Finance Committee approved staff recommendations on 4/3/2026
- **Public Hearing by MCWRA Board of Directors** regarding Water Delivery Charge on 4/20/2026
- MCWRA Board of Directors approved staff recommendations on 4/20/2026



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.

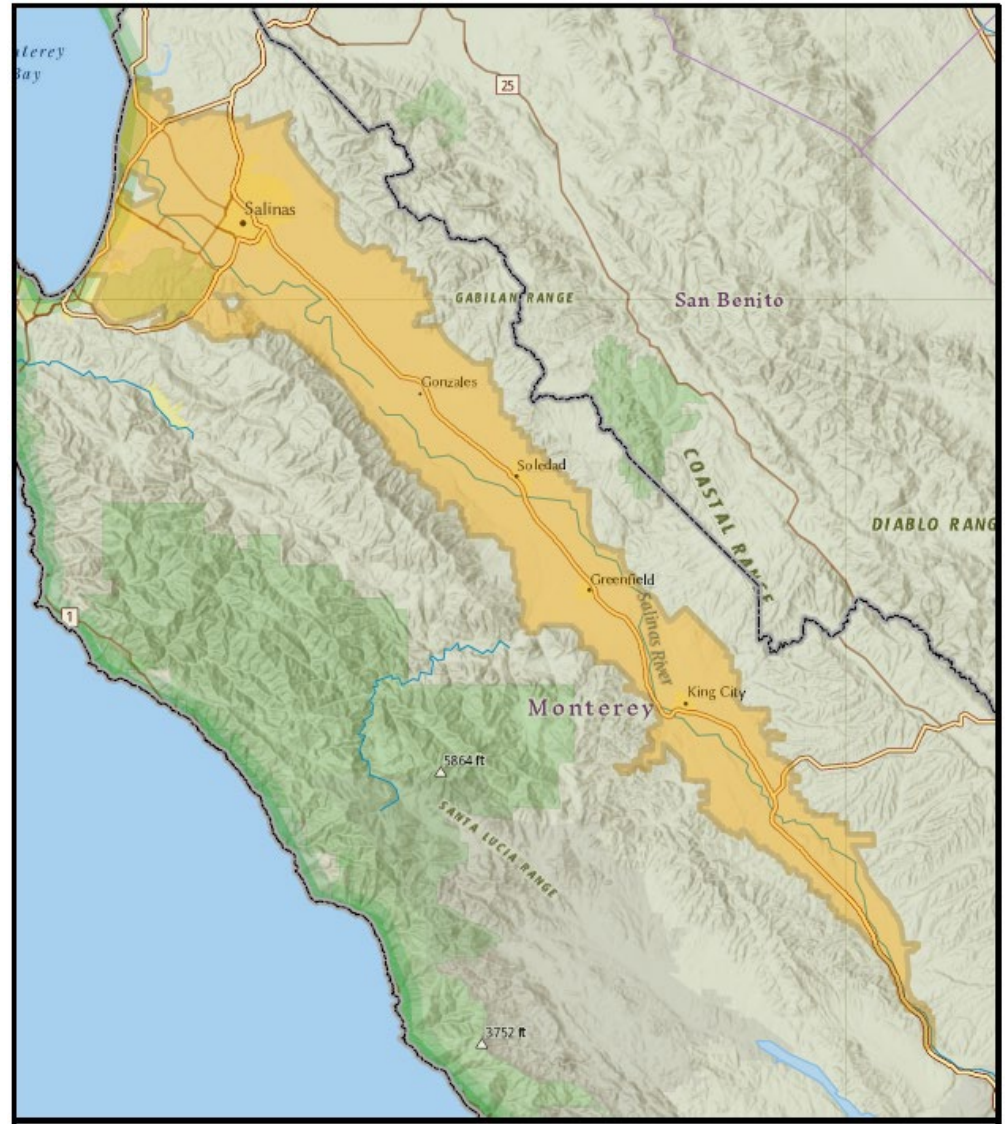
Discussion

- **Resolution 10-188:**

- Adopted on January 29, 2008
- Established the Zone 2B **Water Service Charge** for the operations & maintenance of the **Salinas River Diversion Facility**
- Subject to a COLA increase by a CPI for the first five years and thereafter, based **on evaluation by the Agency**
- *First time increase **beyond annual CPIs***

WHEREAS, On January 29, 2008, the Board of Supervisors approved the enactment of a water service charge of \$66.23/AF for the operations and maintenance of the Salinas River Diversion Facility with the charge to be increased annually for inflation based on the Consumer Price Index for the first five years, and thereafter based on an evaluation by the Monterey County Water Resources Agency, and

Zone 2Y & Z Boundary: CSIP & SVRP



FY27 Rate : Zone 2Y (CSIP)

ZONE 2Y BENEFIT ASSESSMENTS				
Fiscal Year	2025-2026		2026-2027	
Factor	Parcel Count	Charge Per Acre	Parcel Count	Charge Per Acre
A	52,370	\$ 4.20	52,361	\$ 4.31
B	4,641	\$ 36.79	4,630	\$ 37.71
C	3,013	\$ 0.45	3,005	\$ 0.46
D	266	\$ -	265	\$ -
H	1,111	\$ 1.82	1,108	\$ 1.87
Total:	61,366		61,369	
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)				

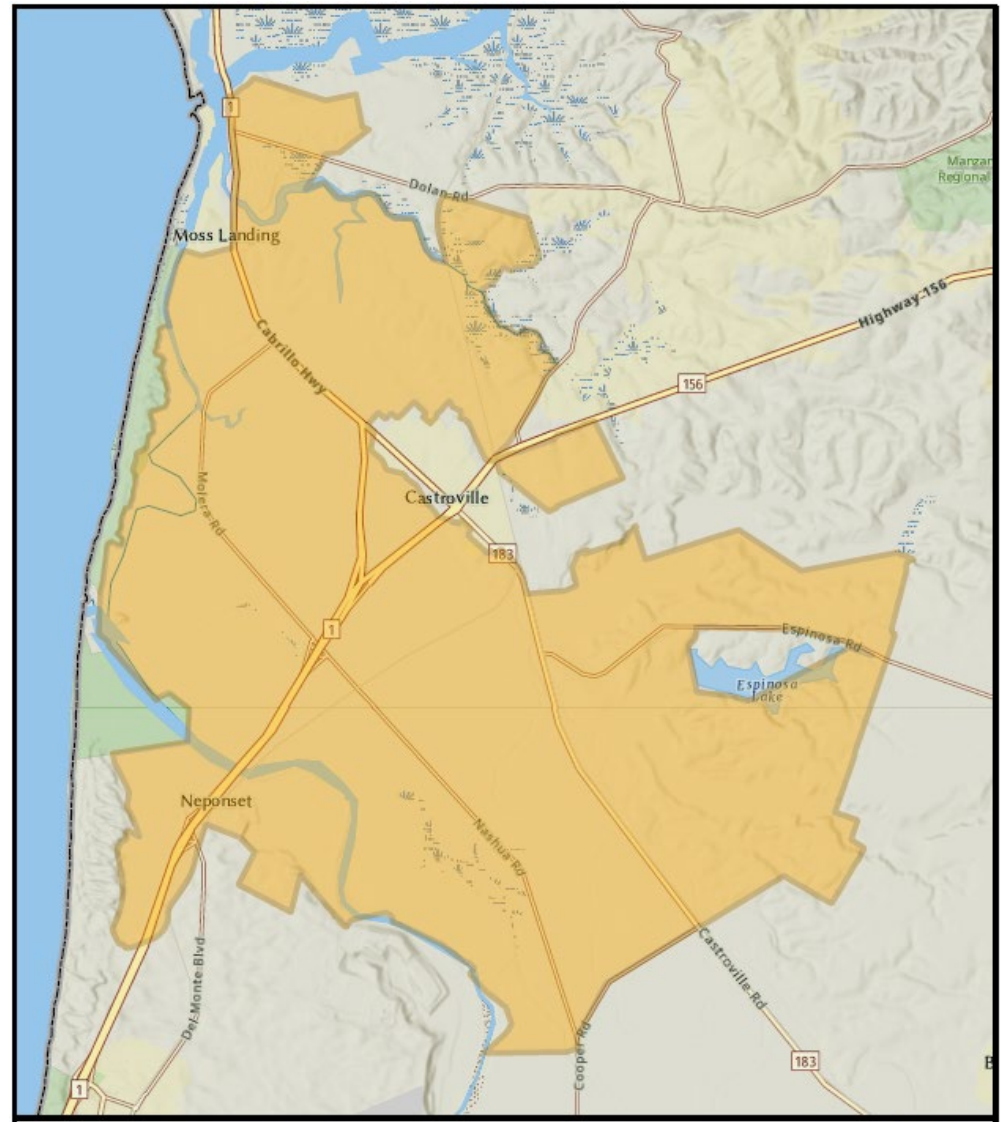


FY27 Rate : Zone 2Z (SVRP)

ZONE 2Z BENEFIT ASSESSMENTS				
Fiscal Year	2025-2026		2026-2027	
Factor	Parcel Count	Charge Per Acre	Parcel Count	Charge Per Acre
A	52,369	\$ 12.81	52,369	\$ 13.13
B	4,639	\$ 111.57	4,628	\$ 114.35
C	3,015	\$ 1.38	3,007	\$ 1.41
D	266	\$ -	265	\$ -
H	1,111	\$ 5.73	1,108	\$ 5.87
Total:	61,400		61,377	
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



FY27 Rate : Zone 2B

ZONE 2B BENEFIT ASSESSMENTS				
Fiscal Year	2025-2026		2026-2027	
Factor	Parcel Count	Charge Per Acre	Parcel Count	Charge Per Acre
A	194	\$ 365.04	191	\$ 374.17
B	0	\$ -	0	\$ -
C	0	\$ -	36	\$ -
D	0	\$ -	0	\$ -
H	0	\$ -	0	\$ -
Total:	194		227	
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)				



FY27 Rates :

Water Delivery & Service Charge

WATER DELIVERY & SERVICE CHARGES		
Fiscal Year	2025-2026	2026-2027
Water Delivery Charge	\$85.24	\$100.24
Water Service Charge	\$88.57	\$113.57
Total:	\$173.81	\$213.81



FY27 Recommended Budget

MCWRA FY27 Unassigned Fund Balance Summary

NEW Fund	CGI Fund	Fund Name	Zone	FY25 Estimated Add (Use)	FY26 Budgeted Add (Use)	FY27 Estimated Beginning Balance	FY27 Budgeted Expense	FY27 Budgeted Revenue	FY27 Budgeted Add (Use)	FY27 Estimate Ending Balance
1501	111	Administration Fund		598,662	(145,809)	5,103,687	7,929,719	5,871,248	(2,058,471)	3,045,216
1502	112	Pajaro Levee	1/1A	426,443	(204,496)	1,396,486	734,363	620,174	(114,189)	1,282,297
1503	116	Dam Operations	2C	1,660,288	(626,591)	2,734,104	14,602,612	13,941,763	(660,849)	2,073,255
1504	121	Soledad Storm Drain	8	69,802	2,802	376,312	57,761	102,744	44,983	421,295
1505	122	Reclamation Ditch	9	179,210	(333,348)	1,225,437	2,372,119	1,838,741	(533,378)	692,059
1506	124	San Lorenzo Creek	12	10,095	(6,133)	40,560	37,688	39,699	2,011	42,571
1507	127	Moro Cojo Slough	17	(49,900)	(321,329)	301,875	730,946	536,188	(194,758)	107,117
1508	130	Hydro-Electric Ops		676,354	(644,361)	2,109,875	1,933,457	1,365,496	(567,961)	1,541,914
1509	131	CSIP Operations	2B/Y	(729,644)	(240,935)	1,468,745	7,393,323	6,853,731	(539,592)	929,153
1510	132	SVRP Operations	2B/Z	(251,337)	(730,810)	1,673,239	6,348,903	6,165,240	(183,663)	1,489,576
1511	134	SRDF Operations		(503,314)	(800,686)	1,365,679	2,912,373	2,591,356	(321,017)	1,044,662
1810	303	CSIP Debt Service		-	-	770,672	1,650,000	1,650,000	-	770,672
1835	313	SVWP Debt Service		15	-	1,036,760	1,761,213	1,761,213	-	1,036,760
1950	426	Interlake Tunnel		405,534	(116,562)	498,403	222,204	14,952	(207,252)	291,151
Total:				2,492,208	(4,168,258)	20,101,834	48,686,681	43,352,545	(5,334,136)	14,767,698

