



# County of Monterey

Item No.

## Board Report

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

Legistar File Number: WRAG 26-139

May 18, 2026

**Introduced:** 4/23/2026

**Current Status:** Draft

**Version:** 1

**Matter Type:** WR General Agenda

- a. Hold a public hearing to consider approving and adopting Fiscal Year 2026-27 (FY27) assessment charges with cost-of-living adjustment (COLA) increase of 2.5% for Zone 2C Administration and Operations and Maintenance of Nacimiento and San Antonio Dams; and
- b. Adopt a resolution approving the FY27 COLA increase of 2.5% to assessment charges of Zone 2C Administration and Operations and Maintenance of Nacimiento and San Antonio Dams.

### RECOMMENDATION:

Recommend that the Monterey County Water Resources Agency Board of Supervisors:

- a. Hold a public hearing to consider approving and adopting Fiscal Year 2026-27 (FY27) assessment charges with cost-of-living adjustment (COLA) increase of 2.5% for Zone 2C Administration and Operations and Maintenance of Nacimiento and San Antonio Dams; and
- b. Adopt a resolution approving the FY27 COLA increase of 2.5% to assessment charges of Zone 2C Administration and Operations and Maintenance of Nacimiento and San Antonio Dams.

### SUMMARY/DISCUSSION:

Monterey County Water Resources Agency (MCWRA) Ordinance No. 4203 (Ordinance) governs Zone 2C assessments which the electorate of the Agency's Zone 2C approved for the Salinas Valley Water Project (SVWP) to fund certain operations and maintenance at Nacimiento Dam and San Antonio Dam. The Ordinance stipulates the SVWP assessments be subjective to COLA increases based on the February Consumer Price Index (CPI) of the San Francisco, Oakland and San Jose urban area.

The Ordinance states that the target of ending/beginning fund balances for SVWP operation and maintenance expenses be approximately 50% of the total estimated SVWP operation and maintenance expenses for the succeeding fiscal year, and if the ending fund balance for SVWP operation and maintenance expenses for the previous fiscal year is less than or equal to 50% of the total estimated SVWP operation and maintenance expenses for the succeeding fiscal year, then the Board shall increase the Operation & Maintenance and the Administrative components of the SVWP assessments by the CPI.

MCWRA requests, as the COLA increase in FY27, to adopt the CPI of 2.5% increase to assessment charges of Zone 2C Operations and Maintenance (O&M) component and Administration component for FY27. The attached Summary Chart details the assessment rates of FY27 with 2.5% COLA increase from FY 2025-26.

It is requested that the Water Resources Board of Supervisors approve and adopt assessment rates as set forth in the Notice of Public Hearing relating to Zone 2C for FY27, all identified in the Public Notice. Notices of the public hearing have been published for two consecutive weeks in the Monterey County Weekly prior to the public hearing.

OTHER AGENCY INVOLVEMENT:

At the April 20, 2026 meeting, the Monterey County Water Resources Agency Board of Directors recommended that the Monterey County Water Resources Agency Board of Supervisors approve and adopt a FY27 COLA increase of 2.5% to assessments of Zone 2C.

FINANCING:

The MCWRA FY27 Recommended Budget includes total appropriations of \$14,602,612 and total revenue of \$13,941,763 for Fund 1503 Dam Operations (Fund 116 in CGI). Revenue includes an estimated \$4,616,155 in assessments collected from Zone 2C. The FY27 Budget also recommends transferring \$700,000 from Fund 1508 Hydro Plant Operations (Fund 130 in CGI) to Fund 1503 Dam Operations to support regulatory compliance costs in FY27.

The estimated FY27 net revenue from the proposed 2.5% COLA increase applied to the Zone 2C Operations & Maintenance and Administration components is \$114,875. The COLA increase does not apply to the assessment charges for the Zone 2C Spillway and Diversion Facility components.

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Attachments:  
Board Resolution  
Presentation