



County of Monterey

Item No.

Board Report

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

Legistar File Number: WRAG 26-141

May 18, 2026

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Matter Type: WR General Agenda

Hold a public hearing to consider approving and adopting the Monterey County Water Resources Agency Fiscal Year 2025-26 Recommended Budget.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Supervisors:

Hold a public hearing to review the Monterey County Water Resources Agency Fiscal Year 2026-27 Recommended Budget.

SUMMARY/DISCUSSION:

The Fiscal Year 2026-27 (FY27) Recommended Budget (Budget) for the Monterey County Water Resources Agency (Agency) totals \$48,686,681 in expenses and \$43,352,545 in revenue, reflecting a 12 percent increase in expenses and a 10 percent in revenue from the prior year. FY27 expenditure exceeds anticipated revenue by \$5,334,136. 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 \$23.4 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 exceeds revenues by \$5.3 million, which will require use of fund balances.

The public hearing for the Agency's FY27 Budget is on a different date from the County of Monterey's budget hearing. This timing will allow the public to engage specifically in MCWRA's budget and increase opportunities for public participation.

Notices of the public hearing has been published for two consecutive weeks in the Monterey County Weekly prior to the public hearing date.

Staff will bring this item back for approval and adoption of a resolution on June 16, 2026.

OTHER AGENCY INVOLVEMENT:

Staff worked with Monterey One Water for Fund 131 CSIP Operations, Fund 132 SVRP Operations, and Fund 134 SRDF Operations.

The Monterey County Water Resources Agency Board of Directors reviewed the Budget at the budget workshop on March 16, 2026 and recommended approval of the FY26 Recommended Budget at its April 20, 2026 meeting.

FINANCING:

Expense of FY27 Budget exceeds its revenue by \$5,334,136. The deficit will be funded through use of available fund balances. The Agency 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. FY2026-27 Recommended Budget - Presentation