



Monterey County

Item No.6

Board Report

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

Legistar File Number: WRAG 21-074

April 26, 2021

Introduced: 4/16/2021

Current Status: Agenda Ready

Version: 1

Matter Type: WR General Agenda

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

- a. Approve and adopt a FY 2021-22 cost of living adjustment (COLA) increase of 1.6% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP);
- b. Approve and adopt a FY 2021-22 COLA increase of 1.6% for the CSIP water delivery charge and water service charge;
- c. Set and hold a public hearing on June 2, 2021 at 1:30 p.m. to consider approving and adopting 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.

RECOMMENDATION:

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

- a. Approve and adopt a FY 2021-22 cost of living adjustment (COLA) increase of 1.6% for Zones 2B, 2Y and 2Z for the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP);
- b. Approve and adopt a FY 2021-22 COLA increase of 1.6% for the CSIP water delivery charge and water service charge;
- c. Set and hold a public hearing on June 2, 2021 at 1:30 p.m. to consider approving and adopting 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.

SUMMARY/DISCUSSION:

This board report requests the minimum annual 1.6% COLA increase for Zone 2B (CSIP project), Zone 2Y (operations and maintenance of CSIP), and Zone 2Z (operations and maintenance of the SVRP). The CSIP water delivery charge of \$6.43 will increase to \$6.53, and the water service charge of \$74.83 will increase to \$76.03.

Zones 2B, 2Y, and 2Z were established to provide revenue to construct, operate and maintain the CSIP and the SVRP, which includes debt service for the municipal bonds, a State Revolving Fund loan, and a Small Reclamation Projects loan from the U.S. Bureau of Reclamation that funded the construction of the projects. The operation of the CSIP and SVRP assists in the reduction of seawater intrusion in the groundwater aquifers in the Salinas Valley by providing an alternative source

of irrigation water in the form of recycled water. This will reduce the reliance on groundwater pumping in the northern portion of the Salinas Valley.

The Monterey County Water Resources Agency Act (California Water Code, Appendix §§ 52-20, 52-24) and Ordinances Nos. 3635 and 3636 require the adoption of annual resolutions by the Agency Board of Supervisors to continue the assessments, water delivery charge, and water service charge for the CSIP and SVRP.

OTHER AGENCY INVOLVEMENT:

This item was presented to the Finance Committee on April 2, 2021 and the Committee supported the recommendation.

FINANCING:

The requested COLA increase of 1.6% will increase FY 2021-22 estimated revenues as follows:

- Zone 2B Fund 119 was closed due to new accounting practice in FY 2018-19. Based on past transferring history, 79% should go to Fund 131 and 21% to Fund 132.
- Revenue for Zone 2B will increase by an estimated \$60,650 bringing total transferable revenues from \$3,790,627 to \$3,851,277.
- Zone 2Y Fund 131 will increase estimated revenues by \$18,494 bringing total estimated revenues from \$1,155,853 to \$1,174,347.
- Zone 2Z Fund 132 will increase estimated revenues by \$56,515 bringing total estimated revenues from \$3,532,204 to \$3,588,719.
- Water Delivery Fee will increase from \$6.43 to \$6.53 per acre foot to a total estimated revenue increase of \$2,337 bringing total estimated revenues from \$146,019 to \$148,356 based on 22,700 AF delivered.
- Water Service Fee will increase from \$74.83 to \$76.03 per acre foot to a total estimated revenue increase of \$27,178 bringing total estimated revenues from \$1,698,630 to \$1,725,808 based on 22,700 AF delivered.

Prepared by: Erica Leal, Accountant III, (831) 755-4860

Approved by: Brent Buche, General Manager, (831) 755-4860

Attachments:

1. Notice of Public Hearing
2. Executed MCWRA Board Order
3. Resolution