



County of Monterey

Item No.2

Board Report

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

Legistar File Number: WRAG 26-106

April 14, 2026

Introduced: 4/1/2026

Current Status: Agenda Ready

Version: 1

Matter Type: WR General Agenda

- a. Set and hold a public hearing at 10:30 AM on May 19, 2026, to review the Fiscal Year 2026-27 Recommended Budget of the Monterey County Water Resources Agency; and
- b. 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 Supervisors (Board):

- a. Set and hold a public hearing at 10:30 AM on May 19, 2026, to review the Fiscal Year 2026-27 Recommended Budget of the Monterey County Water Resources Agency; and
- b. 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:

The Monterey County Water Resources Agency (MCWRA) requests the Fiscal Year 2026-27 (FY27) Budget (Budget) of totals \$49,164,639 in expenses and \$44,418,545 in revenue, reflecting a 13% increase from the prior year. FY27 expenditure exceeds anticipated revenue by \$4,746,094. The deficit will be funded through use of available fund balances.

The Budget funds 45 of the MCWRA's 57 authorized positions and includes \$10.0 million for salaries and benefits. Cost of consultant and contractor services rises to \$23.7 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 exceed revenues by \$4.7 million, which will require use of fund balances.

At the April 20, 2026 meeting, the Monterey County Water Resources Agency Board of Directors will consider staff request and finalize the FY27 Recommended Budget for the Monterey County Water Resources Agency Board of Supervisors to consider.

MCWRA recommends that the Board hold the public hearing for the Agency's FY27 Budget on May 19, 2026, a date that is different 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 will be published for two consecutive weeks in the Monterey County Weekly prior to the public hearing date.

OTHER AGENCY INVOLVEMENT:

At the April 20, 2026 meeting, the Monterey County Water Resources Agency Board of Directors will consider recommending that the Monterey County Water Resources Agency Board of Supervisors approve and adopt the FY27 budget.

FINANCING:

Expense of FY27 Budget exceeds its revenue by \$4,746,094. The deficit will be funded through use of available fund balances.

Prepared by: Nan Kyung Kim, Finance Manager III (831) 755-4860

Approved by: Ara Azhderian, General Manager (831) 755-4860

Attachments:

Notices of Public Hearing - WRA Budget