



TODAY'S ACTION

Consider Setting a Date for a Public Hearing on June 23, 2015 to Consider Approving Assessment Rate Charges for Zones 2B, 2Y, and 2Z for Fiscal Year 2015-2016, the Castroville Seawater Intrusion Project (CSIP) and the Salinas Valley Reclamation Project (SVRP), with No Changes to the Water Service Charge of \$5.63 and Delivery Charge of \$67.82; Recommending Approval to the Monterey County Water Resources Agency Board of Supervisors; and, Directing the Clerk of the Board to Publish Hearing Notices in the CALIFORNIAN, the SOLEDAD BEE, the REGISTER-PAJARONIAN and the KING CITY RUSTLER at Least Ten Days Prior to the Date Set for the Hearing





Prior BOD/BOS Action

- At the March 23, 2015 Budget Workshop the FY 2015-2016 Requested Budget included an estimated CPI of 2% for all Assessment Zones
- Following the Budget Workshop, the SF Bay Area CPI of 2.5% was adopted and reflected in the board reports you have today.
- The overall Zone 2B, Y, and Z assessment total change from last year's budget is \$182,743.

Financial Impact

Zones	FY 2014-15 Estimate	FY 2015-16 Requested Budget (2.5% COLA)
Zone 6 2B CSIP Fund 119	\$3,265,096	\$3,346,723
Zone 2Y CSIP O&M Fund 131	998,362	1,023,321
Zone 2Z SVRP O&M Fund 132	<u>3,046,275</u>	<u>3,122,432</u>
TOTAL CSIP/SVRP	\$7,309,733	\$7,492,476



Discussion

CSIP Water Delivery and SRDF Water Service charges

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Estimate</u>	<u>Preliminary Budget</u>	<u>Preliminary Budget</u>
<u>CSIP/SRDF Water Delivery charges</u>									
Fund 131 CSIP Water Delivery Revenue	\$367,786	\$408,761	\$361,000	\$187,098	\$103,648	\$106,136	\$106,136	\$329,595	\$128,083
Fund 134 SRDF Water Service charge revenue	0	0	306,029	943,313	1,245,113	1,189,754	1,218,308	661,584	1,542,905
Total Water Delivery Charges	\$367,786	\$408,761	\$667,029	\$1,130,411	\$1,348,761	\$1,295,890	\$1,324,444	\$991,179	\$1,670,988

	<u>Rate</u>								
<u>Water delivery charge per acre Foot</u>									
Charge per are-foot of water delivered from turnout (CSIP)	\$18.19	\$18.70	\$19.22	\$5.50	\$5.50	\$5.50	\$5.63	\$5.63	\$5.63
Charge per are-foot of water service charge (SRDF)	\$0.00	\$0.00	\$31.44	\$66.23	\$66.23	\$66.23	\$67.82	\$67.82	\$67.82
Total Water Delivery Charges	\$18.19	\$18.70	\$50.66	\$71.73	\$71.73	\$71.73	\$73.45	\$73.45	\$73.45

Drought year charge per are-foot of water delivered from turnout (CSIP) \$19.22 + 2.4% \$19.68 \$0.00

1.80% No COLA No COLA No COLA 2.40% No COLA No COLA



Discussion (cont.)

CSIP Water Delivery and SRDF Water Service revenue based on Demand Schedule

SRDF Operations Fund 134 revenue				Pond Water revenue				CSIP Operations Fund 131 revenue			
<u>Total acre</u>		<u>Rate</u>	<u>Revenue</u>	<u>Total acre</u>		<u>Rate</u>	<u>Revenue</u>	<u>Total acre</u>		<u>Rate</u>	<u>Revenue</u>
<u>feet</u>				<u>feet</u>				<u>feet</u>			
Jul-14				Jul-14	857	0	\$0	Jul-14	3,450	\$19.68	\$67,896
Aug-14				Aug-14	856	0	\$0	Aug-14	3,050	\$19.68	\$60,024
Sep-14				Sep-14	574	0	\$0	Sep-14	2,500	\$19.68	\$49,200
Oct-14				Oct-14	571	0	\$0	Oct-14	1,450	\$19.68	\$28,536
Nov-14				Nov-14	571	0	\$0	Nov-14	1,050	\$19.68	\$20,664
Dec-14				Dec-14			\$0	Dec-14	150	\$19.68	\$2,952
Jan-15				Jan-15			\$0	Jan-15	150	\$19.68	\$2,952
Feb-15				Feb-15			\$0	Feb-15	550	\$19.68	\$10,824
Mar-15				Mar-15			\$0	Mar-15	1,600	\$19.68	\$31,488
Apr-15	2,205	\$67.82	\$149,543	Apr-15			\$0	Apr-15	2,205	\$5.63	\$12,414
May-15	2,850	\$67.82	\$193,287	May-15			\$0	May-15	2,850	\$5.63	\$16,046
Jun-15	4,700	\$67.82	\$318,754	Jun-15			\$0	Jun-15	4,700	\$5.63	\$26,461
	<u>9,755</u>		<u>\$661,584</u>		<u>3,429</u>		<u>\$0</u>		<u>23,705</u>		<u>\$329,457</u>

*CSIP Drought Rate of \$19.68 is calculated using the Pre-SRDF FY 2009-10 rate of \$19.22 adjusted by the 2013-14 CPI increase of \$2.4%
Pond Water costs expected at \$ 60.00/AF for a total expected cost of \$ 205,740.00 for FY 14-15 (3,429 X 60 = \$ 205,740.00) and are not in current budget.



CSIP Water Delivery and SRDF Water Service revenue based on Demand Schedule FY 2015-16

Supplemental Well Water		SRDF Water		Recycled Water		Agricultural Wash Water		Total			
<u>AF</u>		<u>AF</u>		<u>AF</u>		<u>AF</u>		<u>AF</u>	<u>Well Revenue</u>	<u>SRDF Revenue</u>	<u>Combined Revenue</u>
Jul-15	1,355	Jul-15	0	Jul-15	1,800	Jul-15	245	3,400	19,142	230,588	249,730
Aug-15	802	Aug-15	0	Aug-15	1,850	Aug-15	348	3,000	16,890	203,460	220,350
Sep-15	197	Sep-15	0	Sep-15	1,700	Sep-15	303	2,200	12,386	149,204	161,590
Oct-15	20	Oct-15	0	Oct-15	968	Oct-15	300	1,288	7,251	87,352	94,603
Nov-15	70	Nov-15	0	Nov-15	586	Nov-15	200	856	4,819	58,054	62,873
Dec-15	100	Dec-15	0	Dec-15	0	Dec-15	0	100	563	6,782	7,345
Jan-16	250	Jan-16	0	Jan-16	0	Jan-16	0	250	1,408	16,955	18,363
Feb-16	150	Feb-16	0	Feb-16	656	Feb-16	150	956	5,382	64,836	70,218
Mar-16	130	Mar-16	0	Mar-16	1,500	Mar-16	170	1,800	10,134	122,076	132,210
Apr-16	450	Apr-16	0	Apr-16	1,700	Apr-16	250	2,400	13,512	162,768	176,280
May-16	1,210	May-16	0	May-16	1,800	May-16	240	3,250	18,298	220,415	238,713
Jun-16	1,324	Jun-16	0	Jun-16	1,700	Jun-16	226	3,250	18,298	220,415	238,713
	6,058		0		14,260		2,432	22,750	128,083	1,542,905	1,670,988





Discussion (cont.)

- The Zone 2B, 2Y, 2Z Project that benefited from the last FY 2013-14 COLA increase was:
 - The Espinosa Booster Pump modifications estimated to spend approximately \$150,000.
 - The purpose of this project was to eliminate intermittent low pressure conditions at the end of CSIP systems Z3-01 line near Well 01C1.
 - Only \$8,000 was expended on a contract with Schaaf & Wheeler for hydraulic modeling review plus Agency Staff costs.



Discussion (cont.)

- Recent Capital improvements by MRWPCA to the SCADA (Automated Controls) system provide for cheaper alternative solutions to the pressure problems near 01C1 viable. MRWPCA and MCWRA are continuing to make system improvements that will eliminate the low pressure conditions that occur.
- There was well repair completed utilizing budgeted expenditures, however the remaining revenue from the COLA increase was utilized for CSIP increased energy costs.

Discussion (cont.)

	<u>Fund 119</u> <u>CSIP Zone 2B</u>	<u>Fund 131</u> <u>CSIP Zone 2Y</u>	<u>Fund 132</u> <u>SVRP Zone 2Z</u>	<u>Fund 303</u> <u>CSIP Debt</u>	<u>Total CSIP/</u> <u>SVRP</u>	<u>Fund 134</u> <u>SRDF O&M</u>	<u>Total</u>
<u>Estimated Beginning Fund Balance</u>	\$879,551	\$1,325,923	\$1,597,291	\$1,608,886	\$5,411,650	\$1,352,865	\$6,764,515
<u>Revenue</u>							
Assessments (2% COLA)	\$3,330,398	\$1,018,329	\$3,107,201		\$7,455,928		\$7,455,928
Assessment revenue transfers between Funds	(3,300,000)	1,150,000	900,000	1,850,000	600,000		600,000
Ad Valorem Taxes					0		0
Water Delivery charges	0	128,083			128,083	1,542,905	1,670,988
Interest & Other	3,380	6,000	8,000	15,000	32,380		32,380
Total Revenue	\$33,778	\$2,302,412	\$4,015,201	\$1,865,000	\$8,216,391	\$1,542,905	\$9,759,296
<u>Expenditures</u>							
Labor allocation	\$164,171	\$803,894			\$968,065	\$582,531	\$1,550,596
Maintenance/Repair/Legal	3,157	6,809	255		10,221	54,085	64,306
Well maintenance & repair		150,000			150,000		150,000
Insurance (Net of PCA reimbursement)		177,162			177,162		177,162
Transfer from 119 reserves	600,000						0
CSIP Loan Payments				1,859,657	1,859,657		1,859,657
PCA O&M Charges		1,501,203	2,194,133		3,695,336	75,808	3,771,144
PCA Capital Outlay Charges		160,000	272,000		432,000		432,000
PCA - SVRP Loan Payments			1,818,875		1,818,875		1,818,875
Total Expenditures	\$767,328	\$2,799,068	\$4,285,263	\$1,859,657	\$9,111,316	\$712,424	\$9,823,740
<u>Net Revenue less Expenditures</u>	(\$733,550)	(\$496,656)	(\$270,062)	\$5,343	(\$894,925)	\$830,481	(\$64,444)
<u>Estimated Ending Fund Balance</u>	\$146,001	\$829,267	\$1,327,229	\$1,614,229	\$4,516,725	\$2,183,346	\$6,700,071

* Includes CSIP Rate stabilization reserve of \$1,380,864





Summary

- The overall assessment change from FY 2014-15 to FY 2015-16 for 2B, 2Y, and 2Z is \$182,743.
- Below is the allocation by Fund
 - Fund 119 \$81,000
 - Fund 131 \$25,000
 - Fund 132 \$76,000



TODAY'S ACTION

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TODAY'S ACTION

Consider Setting a Date for a Public Hearing on June 23, 2015 to Consider Approving Benefit Assessment Charges for Fiscal Year 2015-2016 in Zones 1, 1A, 8, 9, 12 and 17; Recommending Approval to the Monterey County Water Resources Agency Board of Supervisors; and, Directing the Clerk of the Board to Publish Hearing Notices in the CALIFORNIAN, the SOLEDAD BEE, the REGISTER-PAJARONIAN and the KING CITY RUSTLER at Least Ten Days Prior to the Date Set for the Hearing





Prior BOD/BOS Action

- At the March 23, 2015 Budget Workshop the FY 2015-2016 Requested Budget included an estimated CPI of 2% for all Assessment Zones
- Following the Budget Workshop, the SF Bay Area CPI of 2.5% was adopted and reflected in the board reports you have today.
- The overall Flood Zone assessment total change from last year's budget is \$40,401.

Financial Impact

Zones	FY 2014-15 Estimate	FY 2015-16 Requested Budget (2.5% COLA)
Zone 1 Pajaro Fund 112	\$240,942	\$246,966
Zone 1A Pajaro Fund 112	147,209	150,889
Zone 8 SBC Fund 121	58,720	60,188
Zone 9 REC DTCH Fund 122	1,038,090	1,064,042
Zone 12 SLC Fund 124	27,971	28,670
Zone 17 MCS Fund 127	<u>103,123</u>	<u>105,701</u>
Zone Total	\$1,616,055	\$1,656,456





Summary

- The overall assessment change from FY 2014-15 to FY 2015-16 for all Flood Zones is \$40,401.
- The allocation of revenue is split among the following Funds: 112, 121, 122, 124 and 127
 - The Carr Lake evaluation is supported by this revenue and was initiated in FY 2013-14 with the last COLA increase.
 - Staff is currently working on this study and will be extending the terms of the Agreement through June 30, 2015.



TODAY'S ACTION

Set a Date for a Public Hearing on June 23, 2015 to Consider Approving Benefit Assessment Charges for Fiscal Year 2015-2016 in Zones 1, 1A, 8, 9, 12 and 17; Recommend Approval to the Monterey County Water Resources Agency Board of Supervisors; and, Direct the Clerk of the Board to Publish Hearing Notices in the CALIFORNIAN, the SOLEDAD BEE, the REGISTER-PAJARONIAN and the KING CITY RUSTLER at Least Ten Days Prior to the Date Set for the Hearing







TODAY'S ACTION

Consider Setting a Date for a Public Hearing on June 23, 2015 to Consider Approving Zone 2C Assessment Charges for FY 2015-2016; Recommending Approval to the Monterey County Water Resources Agency Board of Supervisors; and, Directing the Clerk of the Board to Publish Hearing Notices in the CALIFORNIAN, the SOLEDAD BEE, the REGISTER-PAJARONIAN and the KING CITY RUSTLER at Least Ten Days Prior to the Date Set for the Hearing





Prior BOD/BOS Action

- At the March 23, 2015 Budget Workshop the FY 2015-2016 Requested Budget included an estimated CPI of 2% for all Assessment Zones
- Following the Budget Workshop, the SF Bay Area CPI of 2.5% was adopted and reflected in the board reports you have today.
- The overall Zone 2 Assessment total change from last year's budget is \$80,319.

Financial Impact

Zones	FY 2014-15 Estimate	FY 2015-16 Requested Budget (2.5% COLA)
Zone 2C O&M Fund 116	\$2,873,998	\$2,945,848
Spillway Mod Fund 133	443,406	443,406
Diversion Facility Fund 133	664,579	664,579
Zone 2C Adm – Fund 116	<u>338,780</u>	<u>347,250</u>
Zone Total	\$4,320,763	\$4,401,083





Summary

The overall assessment change from FY 2014-15 to FY 2015-16 for all Zone 2C is \$80,319.

- Revenue received in the Zone will continued to be applied to Fund 116 Programs and Priority Projects
- This continued revenue supports projects initiated from the last COLA increase:
 - Replacement of the low level outlet bypass valve the Agency initiated with the last COLA increase in FY 2013-14.
- Staff is currently working on this replacement.



TODAY'S ACTION

Set a Date for a Public Hearing on June 23, 2015 to Consider Approving Zone 2C Assessment Charges for FY 2015-2016; Recommend Approval to the Monterey County Water Resources Agency Board of Supervisors; and, Direct the Clerk of the Board to Publish Hearing Notices in the CALIFORNIAN, the SOLEDAD BEE, the REGISTER-PAJARONIAN and the KING CITY RUSTLER at Least Ten Days Prior to the Date Set for the Hearing







TODAY'S ACTION

Consider Approving an Agreement for Services with Tom Shepherd in the Amount of \$25,000 to Provide Liaison Services for Agency Grazing Leases and Related Property Management Activities; and, Authorizing the General Manager to Execute the Agreement.





Committee Action

- On April 10, 2015, the Personnel/Administration Committee reviewed this item and made no recommendation in its regard.
- On April 10, 2015, the Finance Committee approved this item for consideration by the full Board of Directors.



Financial Impact

- \$25,000
- Fund 116 – Dam Administration



Discussion

- The Monterey County Water Resources Agency (MCWRA) is responsible for all Agency Grazing Leases and related property management services within the County of Monterey. There are approximately nine (9) Agency leases that will expire in October 2017. The Agency needs to update these lease agreements and reformulate the existing language that provides credits to tenants for land improvements. In addition, there are several outstanding property management activities that need immediate attention to prevent risk of liability and to protect existing lease revenue that may be impacted by continued drought conditions.



Discussion (cont.)

- Tom Shepherd has a high degree of knowledge regarding Agency Property in Monterey County, possessing over 20 years of experience as a Monterey County Deputy Chief Ranger/Parks Operations Manager. Over the years, he has worked closely with MCWRA on property management issues and the Agency and County Park Lease Agreement. Mr. Shepherd understands the needs and restrictions of these agreements and offers great insight into some of the outstanding lease issues. In addition, he brings with him opportunities on how to improve the management of Agency grazing leases as we move through severe drought conditions.



Discussion (cont.)

1. 70% - Updating the 2017 grazing leases.
 - Incorporating NaciTone Watershed Management Plan;
 - Re-establishing lease boundaries;
 - Identifying proper amount of grazing units per lease area and revise credits for improvements on lease contracts.

2. 20% - Assist MCWRA with land issues that may arise from capital projects/improvements and/or maintenance activities.
 - Nacimiento Dam and Reservoir, San Antonio Dam and Reservoir, and for the Interlake Tunnel Project;
 - Identify potential water quality and environmental concerns to the reservoirs and MCWRA lands.
 - Attend Personnel and Administration Committee and Board of Directors meetings, as needed.



Discussion (cont.)

3. 8% - Provide the following when needed:

- A visible presence on MCWRA lands, grazing leases, unleased property, easements, etc.;
- Act as liaison between tenants, adjacent landowners, regulatory agencies, and law enforcement. Identify potential exposure to liability to the MCWRA;
- Assist resolving the following outstanding property issue

4. 2% - Investigate potential revenue generation for MCWRA lands and provide suggestions on how these lands could potentially be used to provide more access to public and generate additional revenues.



TODAY'S ACTION

Approve an Agreement for Services with Tom Shepherd in the Amount of \$25,000 to Provide Liaison Services for Agency Grazing Leases and Related Property Management Activities; and, Authorize the General Manager to Execute the Agreement.







TODAY'S ACTION

Consider Approving and Recommending that the Monterey County Water Resources Agency Board of Supervisors Approve Renewal of a One-year Lease Agreement with Heritage Ranch Owners Association (HROA) for 25 Acres of Lakefront Property; and, Authorize the General Manager to Execute the Lease Agreement





Committee Action

- On April 10, 2015 Personnel and Administration Committee received report on HROA lease agreement and recommended renewal of lease with a one-year term



Prior BOD/BOS Action

- Agency Board of Directors recommended BOS renew lease agreement with three-year term with Heritage Ranch Owners Association (HROA) for 25 acres of lakefront property on August 27, 2012.
- Agency Personnel & Administration Committee reviewed agreement at July 13, 2012 meeting.
- Agency Board of Directors recommended to BOS the original lease agreement at August 22, 2011 meeting. BOS approved the original lease agreement at September 13, 2011 meeting.



Discussion

- MCWRA BOD August 27, 2012 action on three-year lease never taken to MCWRA BOS for approval, however, HROA did make monthly payments.
- Current lease ends June 30, 2015.
- This new lease will expire June 30, 2016. At which time, staff will bring a new three-year lease agreement to Board for consideration.



Financial Impact

- Agency will receive \$2,552.50 monthly (\$30,630 annually) in lease fees
- Fund 116 (Nacimiento Land Management)

HROA Lease Area



HROA Lease Area





TODAY'S ACTION

Approve and Recommend that the Monterey County Water Resources Agency Board of Supervisors Approve Renewal of a One-year Lease Agreement with Heritage Ranch Owners Association (HROA) for 25 Acres of Lakefront Property; and, Authorize the General Manager to Execute the Lease Agreement





TODAY'S ACTION

Approve Scheduling a Workshop (or Special Board Meeting) on the “*Salinas River Groundwater Basin Report*”; Fund the Services of Brown and Caldwell in the Amount of Approximately \$5000 to Prepare, Present and Facilitate the Workshop; and Authorize the General Manager to execute the Agreement.





Prior Relevant Board Action

- None





Discussion

- Executive Summary of the “*State of the Salinas River Groundwater Basin*” report by Brown and Caldwell was presented to the joint boards on December 16, 2014
- Full report was released in January, 2015
- Requests from public have been made to provide a forum in which the “findings” of the report could be further discussed and clarified.





Discussion (cont.)

- Agency Staff are recommending that a Special Board meeting be held from 10:00 AM to noon on the morning of Tuesday May 26, 2016; prior to an as yet to be scheduled BOD meeting.
 - Due to constraints in Brown and Caldwell's schedule, the next available date to schedule a workshop would be June 8, 2014 or later...
 - Hold a Special Board Meeting on Wednesday June 10, 2015 combining BMP and Planning Committee meetings.





Discussion (cont.)

- Funding:
 - The Agency is working with Monterey County Resource Management Agency (RMA) to fund this workshop through a proposed amendment to the “Salinas River Groundwater Basin Investigation” scope of work; assuming amended scope is approved.
 - The Agency would be responsible for reimbursing RMA for the cost of the workshop.



TODAY'S ACTION

Approve Scheduling a Workshop (or Special Board Meeting) on the “*Salinas River Groundwater Basin Report*”; Fund the Services of Brown and Caldwell in the Amount of Approximately \$5000 to Prepare, Present and Facilitate the Workshop; and Authorize the General Manager to execute the Agreement.

