

MONTEREY COUNTY WATER RESOURCES AGENCY

FISCAL YEAR 2026-27 RECOMMENDED BUDGET



Monterey County Water Resources Agency

BACKGROUND

The Monterey County Water Resources Agency (Agency) is a special district that provides services related to the control of flood and storm waters in Monterey County, conservation, protection of water quality, reclamation of water, and the exchange of water. The Agency's mission is to manage water resources sustainably while minimizing impacts from flooding for present and future generations.

The Agency was established in 1947 as the Monterey County Flood Control and Water Conservation District (MCFCWCD) and organized as a division of the Public Works Department of the County of Monterey through the Monterey County Flood Control and Water Conservation District Act (Chapter 669 of the Statutes of 1947). In 1991 Monterey County Flood Control and Water Conservation District was transformed into Monterey County Water Resources Agency via the Monterey County Water Resources Agency Act (Agency Act), California Water Code, Appendix 52.

PRESENT

The Agency has a nine-member Board of Directors. The board is made up of members appointed by the Monterey County Farm Bureau, Monterey Grower-Shipper Association, the County Agricultural Advisory Committee, five members appointed by the County Board of Supervisors (one from each district), and a member appointed by the Mayor Select Committee. The board is under the governance of the Monterey County Water Resources Agency Board of Supervisors.

Agency Board of Directors:

Matthew Simis, Chair, by Grower-Shipper Association
Jason Smith, Vice Chair by Monterey County Farm Bureau
Mark Gonzalez, District 1, by Supervisor Luis Alejo
Mike Scattini, District 2, by Supervisor Glenn Church
John Conatser, District 3, by Supervisor Chris Lopez
Deidre Sullivan, District 4, by Supervisor Wendy Root-Askew
Ken Ekelund, District 5, by Supervisor Kate Daniels
John Baillie, by Agricultural Advisory Committee
Mike LeBarre by Selection Committee

The Fiscal Year 2026-27 Recommended Budget aligns with the Agency's 2020 Strategic Plan Goal C: Financial Stability to ensure long term financial stability with sufficient funding to pay for Agency obligations and align expenditures with revenues.

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MCWRA ACCOUNTING REORGANIZATION IN ORACLE ERP

The County of Monterey plans to replace the current Enterprise Resource Planning system (ERP) from CGI Advantage to Oracle ERP. Its Enterprise Performance Manage (EPM) phase went live in December 2024 and the County utilized Oracle EPM to develop the FY2025-2026 & FY2026-2027 Budgets. The ERP project team plans to have ERP Financial system go live in July 2026 & Human Capital Management (HCM) phase to go live in January 2027.

WRA's Fund and entity numbers will change to the following in Oracle ERP:

SPECIAL ASSESSMENT FUNDS:

Fund 1503 – Salinas Valley Water Projects Dam Operations (Zone 2C)

Fund 1509 - Castroville Seawater Intrusion Project (CSIP) Operations (Zone 2B & 2Y)

Fund 1510 - Salinas Valley Reclamation Project (SVRP) Operations (Zone 2B & 2Z)

Fund 1511 - Salinas River Diversion Facility (SRDF) Operations (Zone 2B)

FLOOD ASSESSMENT FUNDS:

Fund 1502 - Pajaro Levee (Zone 1 & 1A)

Fund 1504 - Soledad Storm Drain (Zone 8)

Fund 1505 - Reclamation Ditch (Zone 9)

Fund 1506 - San Lorenzo Creek (Zone 12)

Fund 1507 - Moro Cojo Slough (Zone 17)

DEBT SERVICE FUNDS:

Fund 1810 - CSIP Debt Service Fund

Fund 1835 - Monterey County Financing Authority

OTHER FUNDS:

Fund 1501 - Water Resources Agency Administration

Fund 1508 - Hydro-Electric Operations

Fund 1950 - Interlake Tunnel Project

WRA Accounting Structure Crosswalk between CGI Advantage & Oracle ERP

Description & Name	CGI – Advantage ERP			Oracle - ERP		
	Fund	Appr Unit	Unit	Fund	Appr Unit	Departme nt
Water Resources Administration	111	WRA001	8267	1501	WRA100	930001
Pajaro Levee	112	WRA002	8484	1502	WRA101	930002
Dam Operations	116	WRA006	8485	1503	WRA102	930003
Soledad Storm Drain	121	WRA011	8486	1504	WRA103	930004
Reclamation Ditch	122	WRA012	8487	1505	WRA104	930005
San Lorenzo Creek	124	WRA014	8488	1506	WRA105	930006
Moro Cojo Slough	127	WRA017	8489	1507	WRA106	930007
Hydro-Electric Plant Operations	130	WRA022	8490	1508	WRA107	930008
CSIP Operations	131	WRA020	8491	1509	WRA108	930009
SVRP Operations	132	WRA021	8492	1510	WRA109	930010
SRDF Operations	134	WRA028	8493	1511	WRA110	930011
Interlake Tunnel Project	426	WRA036	8495	1950	WRA111	930013
Monterey County Financing Authority	313	WRA026	8494	1835	WRA112	930014
CSIP Debt Service Administration	303	WRA025	8267	1810	WRA113	930015

SUMMARY OF RECOMMENDATIONS

SUMMARY:

The Fiscal Year 2026–27 (FY27) Recommended Budget (Budget) for the Monterey County Water Resources Agency (Agency) totals \$48,798,639 in expenses and \$44,052,545 in revenue, reflecting a 12 percent 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 Agency'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.

EXPENSE:

Agency's FY27 Budget totals \$48.8 million in expense and \$44.1 million in revenue, with 45 full-time equivalent (FTE) positions funded out of 57 authorized across all 14 Agency Funds. The Recommended Budget reflects an approximate 12 percent increase in both expenditures and revenues compared to the amended Fiscal Year 2025-26 (FY26) Budget.

For FY27, salaries and benefits total \$10.0 million, a 16 percent increase from \$8.6 million in FY26 and representing 20 percent of the Agency's total expenditure. The Agency remains authorized for 57 FTEs, although the Budget funds 45 positions and leaves 12 unfunded. A Program Manager II position is created to oversee the Recycled Water Projects, and one Associate Water Resources Engineer position is eliminated.

Consultant and contractor services total \$23.7 million in FY27, which is an increase of about \$2.1 million from FY26. The Monterey One Water contract decreases to \$8.5 million, while grant-funded consultant services rise to \$8.2 million, and other contracted services increases to \$7.1 million.

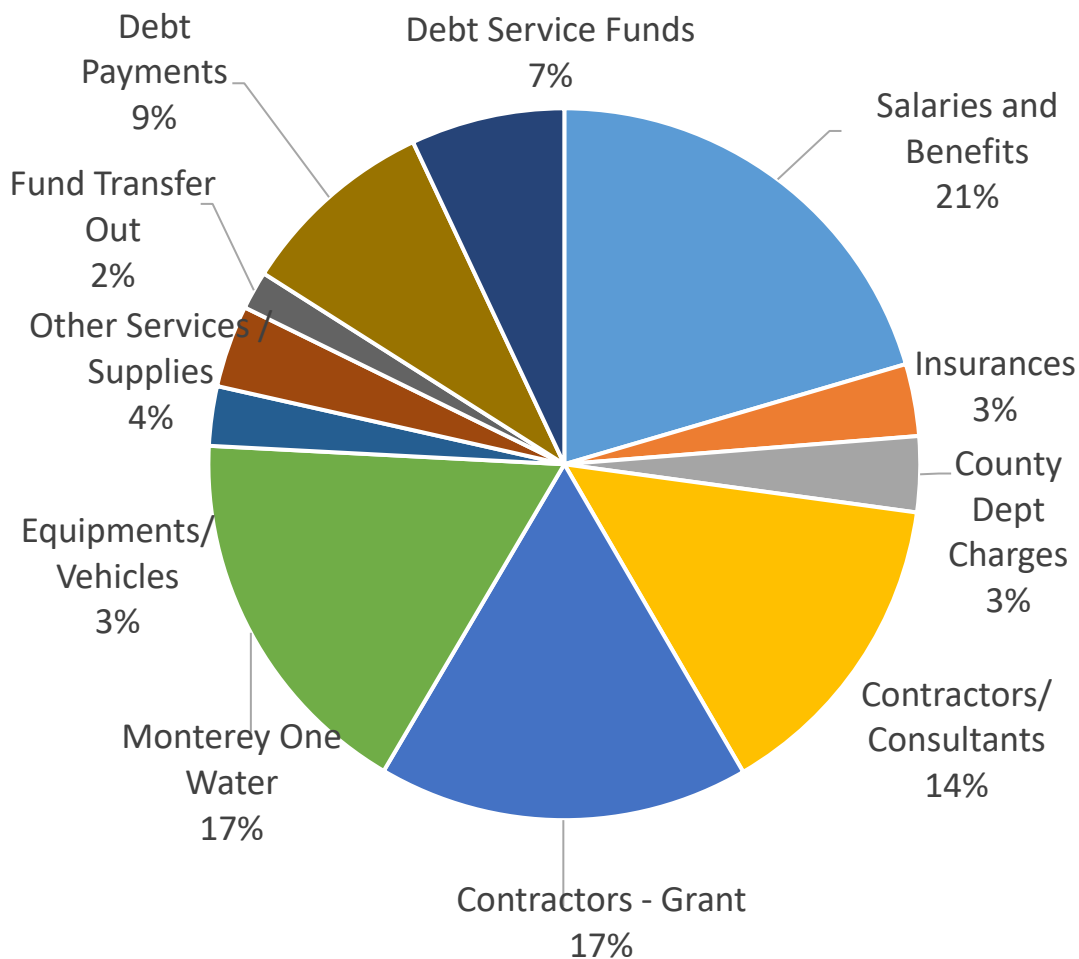
Insurance costs for general liability and pollution coverage decrease to \$1.6 million, reflecting a 24 percent reduction from FY26. County Cost Plan charges increased significantly from \$0.3 million in FY26 to \$1.0 million in FY27, consistent with the charge methodology that relies on actuals from two fiscal years prior.

Debt service payments total \$4.4 million in FY27 for the Salinas Valley Water Project (SVWP), the Castroville Seawater Intrusion Project, and the Salinas Valley Reclamation Project. Interfund transfers of \$3.4 million for CSIP loans and SVWP bonds to the Debt Service Funds are consistent with FY26 levels.

Other operating expenditures include \$1.3 million for equipment and vehicles and \$1.8 million for external services and supplies. The budget also includes cost-share commitments of \$0.5 million to the Pajaro River Flood Management Agency in Fund 1502 (Fund 112) Pajaro Levee.

The budget includes fund transfers totaling \$0.9 million. Of this amount, \$0.7 million will be transferred from Fund 1508 (Fund 130) Hydro-Electric Operations to Fund 1503 (Fund 116) Dam Operations to cover regulatory costs. An additional \$0.2 million will be transferred from Fund 1501 (Fund 111) Administration & Countywide Service to Fund 1507 (Fund 127) Moro Cojo Slough to address funding gaps.

FY27 Expense Distribution



REVENUE:

The FY27 Budget estimates total revenue of \$44.1 million, which reflects a 12 percent increase from FY26. The Agency's assessment revenue is estimated using a 2.5 percent annual cost-of-living adjustment adopting the Consumer Price Index for the San Francisco Bay Area measured from February through February, which was released on March 11, 2026.

Ad-Valorem tax revenue is estimated at \$3.7 million, and special assessments total \$17.9 million.

Combined revenue from Water Delivery and Water Service charges total \$4.1 million. This reflects the recommended increases of the Water Delivery Charge to \$100.24 per acre-foot and the Water Service Charge to \$113.57 per acre-foot of water delivered. These increases help to fund the new Program Manager II position and address funding deficit of the Recycled Water Projects (RWP). RWP budget also accounts for \$900,000 financed by newly proposed funding agreements with Zone 2B landowners to offset future capital costs related to 11B02 Well construction and completion.

Program revenues, including the Groundwater Monitoring Program, Boat Dock program and grazing /recreational leases activities, totals \$1.5 million. Hydroelectric revenues are estimated at \$1.3 million based on current water level at Nacimiento Reservoir. Grant revenue increases substantially to \$8.8 million from a wide range of state and federal programs, including the Nacimiento Projects, SB 104 Dam Safety, IRWM, Forecast-Informed Reservoir Operations, and Proposition 1 Well Destruction, as well as federal support for a supplemental well to support the Castroville Seawater Intrusion Projects.

Other revenues include \$0.7 million reimbursement from San Luis Obispo County, \$1.4 million in interest and miscellaneous income, and \$1.1 million in fund transfers from other funds . Fund 1507 (Fund 127) Moro Cojo Slough allocates a transfer-in of \$0.3 million from County Public Works for tide gate construction and a transfer-in of \$0.2 million from Fund 1501 (Fund 111) for operational support. Fund 1503 (Fund 116) Dam Operations receives \$0.7 million from Fund 1508 (Fund 130) Hydro-Electric Operations to pay regulatory costs.

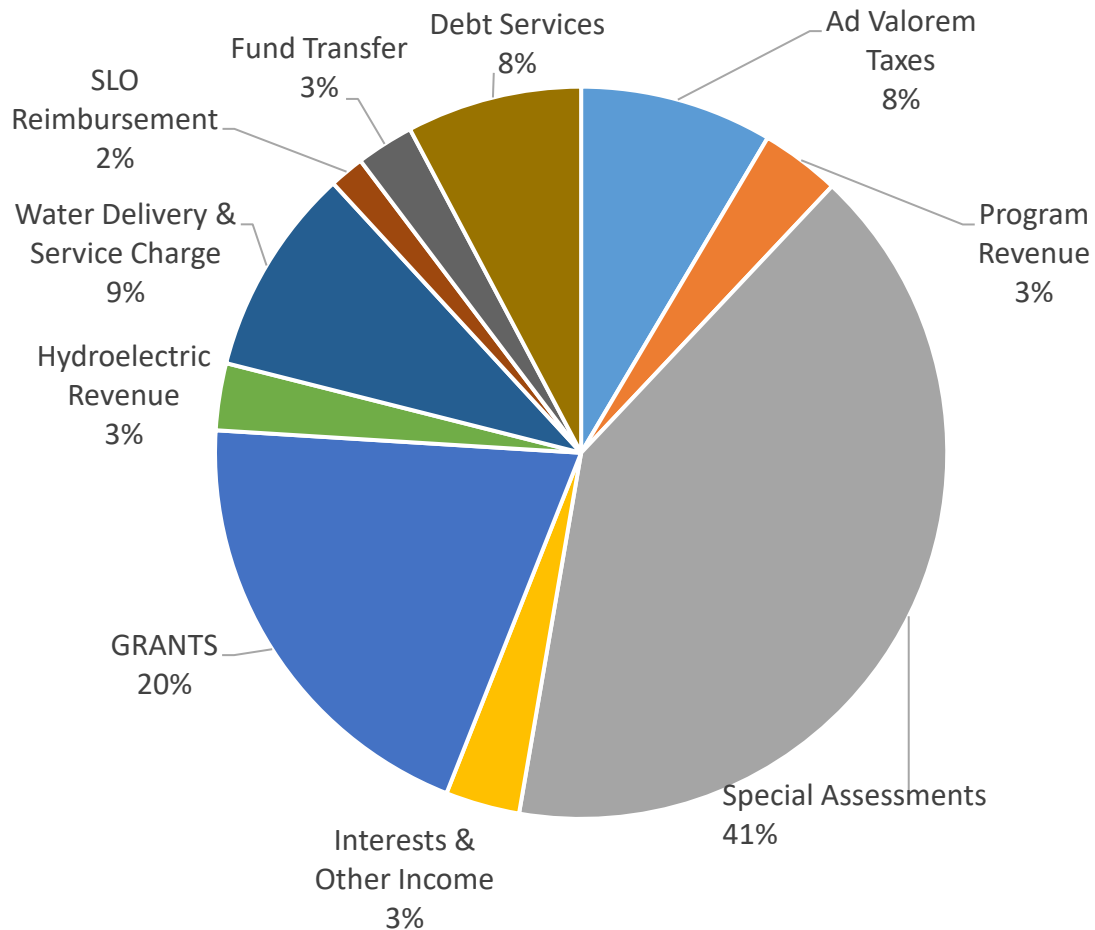
FUND BALANCE USE:

Overall, FY27 expenditure exceeds anticipated revenue by \$4.7 million. The deficit will be funded through use of available fund balances. This figure reflects adjustments made to reduce the originally proposed expenses. The Agency's ending fund balance is projected at \$15.4 million. The FY27 Budget maintains funding for 45 positions and leaves 12 positions unfunded to limit additional fund-balance drawdowns and move closer to a structurally balanced budget. Despite these measures, revenue growth remains slower than rising operating and maintenance costs and both current and future repair and replacement needs.

The Agency is developing both interim and long-term strategies to improve financial sustainability, align staffing with service needs, and meet County fiscal guidelines aimed at

reducing reliance on fund balances for ongoing operations. FY2027 Budget allocates \$350,000 for such effort.

FY27 Revenue Distribution



STRATEGIC PLAN: FY27 PRIORITIES

Agency Board of Directors adopted a five-year strategic plan in December 2020. The strategic plan developed and provided updates to the Agency's, vision mission, organizational values, and multi-year goals. Those are outlined below.

VISION STATEMENT

Be recognized throughout the region as a leader in water resource management through demonstrated knowledge, integrity, and the quality of our actions.

MISSION STATEMENT

Manage water resources sustainably while minimizing impacts from flooding for present and future generations.

ORGANIZATIONAL VALUES

LEADERSHIP: Set a positive example for others in water resources management and flood control through our knowledge, integrity, and actions.

STEWARDSHIP: Operate with financial and environmental responsibility so the Agency continuously succeeds.

TRANSPARENCY: Work in ways that are easily understood by stakeholders and the public, communicating effectively about Agency decisions, actions, resources, and progress.

INTEGRITY: Act with openness, honesty, and consistency, showing no favoritism and utilizing professional standards for decision making.

PUBLIC SERVICE: Work in a way that brings pride upon the Agency, showing that we care about quality and safety, are accountable, think long term, and provide excellent service to the community we serve.

COLLABORATION: Work with stakeholders and related organizations to advance our mission and vision.

MULTI-YEAR GOALS

GOAL A. INFRASTRUCTURE MAINTENANCE: Properly maintain MCWRA infrastructure to ensure safe and reliable function.

GOAL B. PLANNING AND NEW PROJECTS: Plan for future water needs, carry out environmental studies, and plan new capital projects.

GOAL C. FINANCIAL SUSTAINABILITY: Ensure long term financial stability with sufficient funding to pay for Agency obligations and align expenditures and revenues.

GOAL D. EFFECTIVE CORE SERVICES AND ORGANIZATION IMPROVEMENT: Ensure core services are carried out in a thorough and timely manner.

GOAL E. COMMUNITY RELATIONS: Foster transparent and positive relationships with stakeholders to advance the mission and vision of the Agency.

PRIORITIES FOR FY27

The Agency had another successful year of implementing the Strategic Plan that was adopted by both the Agency Board of Directors and Board of Supervisors in November 2020 and December 2020, respectively.

The Agency Board of Directors held an annual Strategic Plan Update Workshop in December 2025 to report on the implementation of the Strategic Plan and provide a forum to engage on current items impacting water resource management. Agency staff have provided an update on each of the Strategic Plan Goals, Strategies, and updates on the 2025 Priorities in the Workshop materials. At the workshop, staff summarized accomplishments and updates on progress for the final year of implementation of the adopted plan. There were also breakout sessions to discuss how to realize opportunities such as: communication and public engagement; the future of recycled water projects; staff recruitment, development and retention; and modeling tools and applications. The group also reviewed the process for developing a new Strategic Plan in 2026. Finally, staff identified the priorities for the coming year which are considered in the proposed budget and summarized below:

Administration Section

- Develop Standard Operation Procedures for BOD and Committee processes
- Support Agency staff in following internal procedures to execute all BOD and Committee processes on time to ensure meetings run smoothly
- Increase staff training on core functions such as effective communication and leadership skills

Engineering & Dam Safety Section – Nacimiento

- Complete Nacimiento Dam's South Access Road: construction of repairs to damage suffered during the 2023 storms. This is a FEMA authorized and funded project.
- Nacimiento LLOW repairs: replacement of all three Low-level Intake's valve actuators, and installation of the sixth (6th) outlet valve at the LLOW. Funded by the Nacimiento Maintenance funding agreement with the Department of Water Resources (DWR).
- Nacimiento Lake Drive Road and Spillway Bridge repairs: Finalize scope of work and enter into contracts for necessary repairs to the portion of Nacimiento Lake Drive that the Agency is responsible for through a 1953 MOU between SLO and Monterey Counties. Also included are the maintenance repairs needed to the Nacimiento Dam Spillway Bridge. Completion of repairs for both projects is anticipated in 2027.

Expenses of this work will be eligible for reimbursements by the SB104 Grant Agreement with DWR.

Engineering & Dam Safety Section – San Antonio

- Finalize the PMF Update and Alternatives Analysis for San Antonio Dam Spillway Replacement Project
- Begin San Antonio Spillway Design and Environmental Phase of the San Antonio Spillway Replacement Project
- Begin San Antonio Low Level Outlet Works (LLOW) Improvement Project Work includes design completion of eight subprojects along the San Antonio LLOW. Many of these projects have been conceptually designed (30%) and require DSOD approval. Projects are being prioritized based on their dependent sequencing of one another. This project is funded through the SB104 grant agreement with DWR.
- Complete the revised draft of the San Antonio Emergency Action Plan (“EAP”) for submission to Cal OES for review and adoption.
- Perform annual preventive maintenance of the Nacimiento Power Plant and Switchyard equipment, to include the replacement of obsolete alarm autodialing monitoring system.

Finance Section

- Successful Implementation of Oracle, County’s new Enterprise Resource Planning (ERP): Oracle ERP’s Human Capital Management (HCM) is scheduled for go-live in January 2027 and its Payable/General Ledger is scheduled for July 2026 go-live. Agency’s accounting structure will be configured for Program-Project base cost accounting.
- Maximization of Revenue Opportunities: prepare for 1st year billing of the Ground Water Monitoring Program Fees
- Budget control & expense monitoring: improve staff compliance with obtaining fiscal review of MOU, agreements & grant applications and specifying financial impacts on board reports
- Agency training programs: Finance Section will facilitate Agency staff training for Oracle ERP system, including submitting timecards and reporting expense in Oracle and work with Admin Team to complete Agency’s contract SOP and staff training.
- Staffing: recruit Sr. Account Clerk for a permanent, full-time position

Hydrology & Environmental Resources Section

- Complete an Invasive Mussel Prevention Plan for San Antonio Reservoir that meets State requirements and submit it to the California Department of Fish and Wildlife for review.

- Broaden the groundwater extraction reporting program for Water Year 2026 to include water systems of 15 or more connections and agricultural wells in Groundwater Monitoring Program expansion areas.
- Fully implement the Monitoring Plan for the Deep Aquifers.
- Conduct timely and high-quality data collection, analysis, and reporting of groundwater, surface water, water quality, and biological parameters as described in the Groundwater Monitoring Program Manual and Low Effect Habitat Conservation Plan.

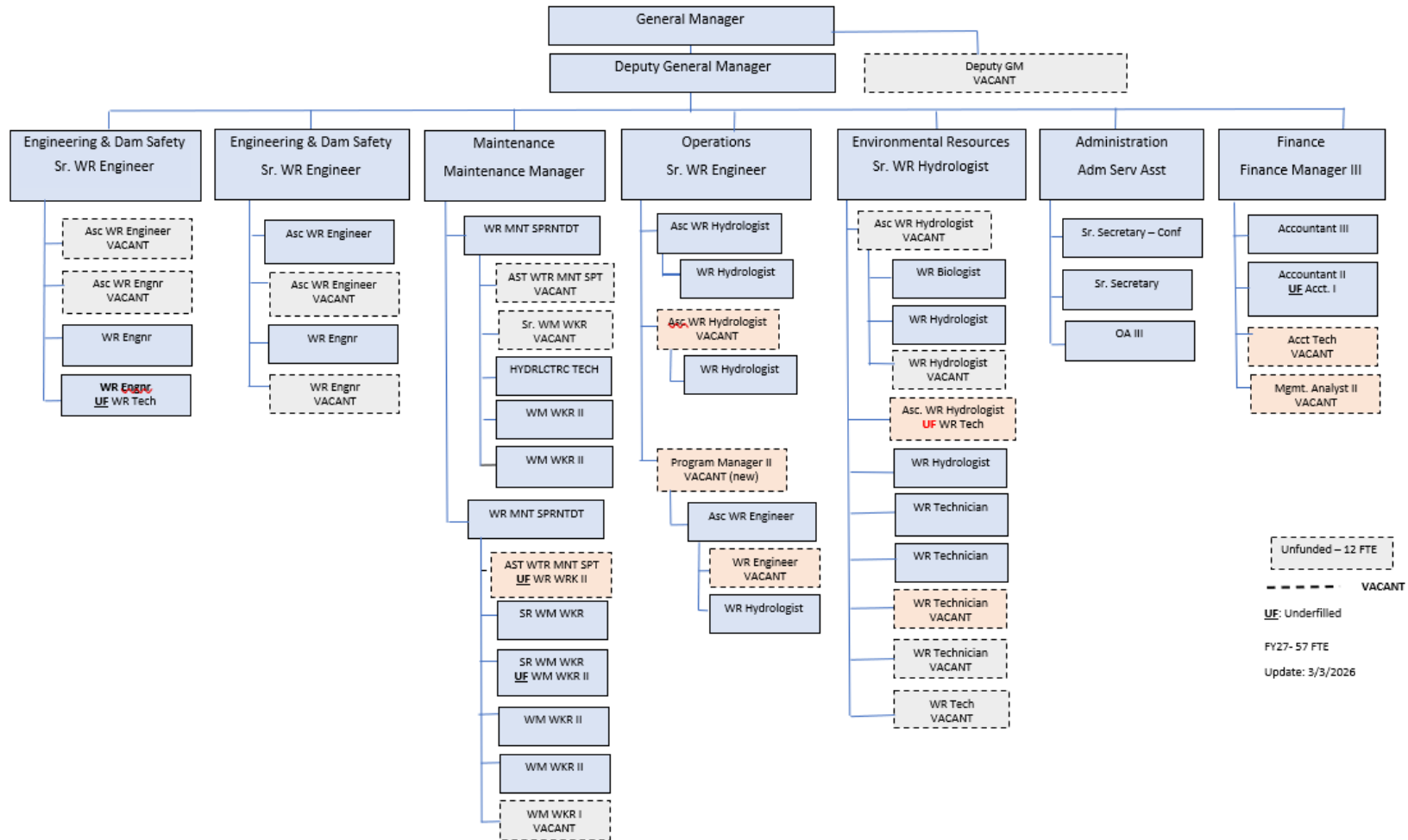
Maintenance Section

- Maintain and optimize staff through continued training, evaluation and skill acquisition. Utilize the flex series to promote from within. And fill the current Water Maintenance Worker vacancy for the dams.
- Maintain Dam Infrastructure. Perform a condition assessment of San Antonio's outlet valve and operating equipment. Develop plan for required rebuilding or replacement as needed.
- Caretaker Infrastructure repairs and improvements at Dams. Replacement of water delivery system to caretaker quarters at Nacimiento Dam. Provide Backup power to both Dam Caretaker quarters.
- Safety improvements at Dams. Evaluate new Technologies to improve staff Safety, efficiency and project quality. Implement Drone spraying program at Dams and evaluate the feasibility of using technology in other areas of the Agency's responsibility such as select areas of the Reclamation ditch.

Operations Section

- Secure funding to complete the Salinas River Operations HCP development
- Analyze and update annual funding for the WRA Recycled Water Projects, to support long-term system reliability and begin to execute critical Capital Improvement Plans.
- Participate in Cal-FIRE Vegetation Management Program and San Luis Obispo Fire Safe Council programs that focus on addressing wildland fire fuel hazards on Agency lands.
- Continue to develop tools and systems to improve operational efficiency of the reservoir release program through the implementation of the grant funded Forecast Informed Reservoir Operations project and CalSIP funded streamgaging enhancements.

ORGANIZATIONAL CHART



PERSONNEL POSITIONS & POSITION COSTS

The tables below describe position changes in FY27 from those of FY26

FUNDED POSITIONS:

Funded Positions	FY26 FTE	FY26 Cost	FY27 FTE	FY27 Cost	Variance from FY26
Accounting Technician	1	137,156	1	157,669	20,513
Accountant II	1	138,423	1	160,351	21,928
Accountant III	1	206,155	1	226,499	20,344
Administration Services Assistant	1	173,821	1	189,324	15,503
Assistant Water Mnt Superintendent	0	-	1	160,289	160,289
Associate Water Resources Engineer	2	414,940	2	451,243	36,303
Associate Water Resources Hydrologist*	4	761,720	2	488,590	(273,130)
Deputy General Manager	1	366,902	1	359,637	(7,265)
Finance Manager III	1	273,536	1	292,559	19,023
General Manager	1	450,304	1	478,244	27,940
Hydroelectric Technician	1	116,559	1	127,604	11,045
Maintenance Manager	1	234,843	1	170,893	(63,950)
Management Analyst II	1	189,164	1	252,364	63,200
Office Assistant III	1	93,965	1	107,554	13,589
Senior Secretary	1	132,617	1	135,764	3,147
Senior Secretary - Confidential	1	91,977	1	128,744	36,767
Senior Water Resources Engineer	3	788,861	3	814,334	25,473
Senior Water Resources Hydrologist	1	245,761	1	254,892	9,131
Senior Water Maintenance Worker	3	318,542	2	242,420	(76,122)
Water Maintenance Superintendent	2	366,891	2	395,376	28,485
Water Maintenance Worker I	1	101,886	1	121,975	20,089
Water Maintenance Worker II	3	323,020	3	338,114	15,094
Water Resources Biologist	1	125,699	1	136,403	10,704
Water Resources Engineer	3	454,769	4	648,343	193,574
Water Resources Hydrologist	5	721,561	5	807,451	85,890
Water Resources Technician	3	305,998	4	478,581	172,583
Program Manager II			1	241,564	241,564
Total Funded Positions	44	7,535,070	45	8,366,780	831,710

UNFUNDED POSITIONS:

Unfunded Positions	FY26 FTE	FY27 FTE	FY27 Salary Savings
Associate Water Resources Engineer	4	3	686,109
Associate Water Resources Hydrologist		1	189,824
Assistant Water Mnt Superintendent	2	1	132,710
Deputy General Manager	1	1	365,042
Water Resources Engineer	2	1	181,567
Water Resources Hydrologist	1	1	181,567
Water Resources Technician	2	2	308,390
Water Maintenance Worker I		1	94,764
Water Maintenance Worker II	1	1	109,867
Total Unfunded Positions	13	12	2,249,840

ALL AGENCY FUNDS: CONSOLIDATED FY27 BUDGET SUMMARY

Agency's FY27 Budget totals \$48.8 million in expense and \$44.1 million in revenue for all 14 Agency Funds. The Recommended Budget is an increase of 12% in expenditure and revenue from the Amended Budget of FY26.

Table 1: All Agency Fund FY27 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	3,748,859
SPECIAL ASSESSMENTS	17,927,080
WATER DELIVERY & SERVICE CHARGES	4,062,362
PROGRAM REVENUE - (GMP, BDA, LU)	1,545,808
HYDROELECTRIC REVENUE	1,302,200
GRANTS - LOCAL, STATE AND FEDERAL	8,805,425
SLO COUNTY REIMBURSEMENT	680,000
INTERESTS AND OTHER INCOME	1,444,598
AGENCY & COUNTY INTERFUND TRANSFERS	1,125,000
DEBT TRANSFER (CSIP & SVWP)	3,411,213
TOTAL REVENUES	44,052,545

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	9,984,109
GL & POLLUTION INSURANCES	1,597,773
SERVICE CHARGES - COUNTY DEPARTMENTS	1,675,141
CONTRACTORS/CONSULTANTS	7,049,758
CONTRACTORS/CONSULTANTS - GRANT	8,223,583
MONTEREY ONE WATER CONTRACT	8,471,860
EQUIPMENT & VEHICLES	1,317,575
SERVICES & SUPPLIES - EXTERNAL	1,821,649
FUND TRANSFER OUT	850,000
DEBT PAYMENTS (SVWP, CSIP, SVRP)	4,395,978
DEBT SERVICE FUNDS	3,411,213
TOTAL EXPENDITURES:	48,798,639

IMPACT TO FUND BALANCE	(4,746,094)
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ESTIMATED BEGINNING FUND BALANCE	20,101,765
ESTIMATED ENDING FUND BALANCE	15,355,671

FUND 1501: ADMINISTRATION & COUNTYWIDE SERVICES

Zones: Countywide (CW), Nacimiento and San Antonio Non-O&M (2- 2A), Lower Salinas River (3), Merritt Lake (5), N. Monterey County (7), Carmel Valley (11), Arroyo Seco (14), Alisal-Spence Road Drainage (15), Blanco Storm Drain (S2), Gonzales Slough (GS)

Fund 1501 (Fund 111) supports the Agency's organizational structure and functions and provides Countywide services related to water resources management.

Fund 1501 (Fund 111) houses all activities related to the Groundwater Monitoring Program (GMP) in accordance with Agency Ordinance #5426 to investigate and produce the data necessary to perform a thorough review, or audit, of the hydrologic budget within the monitored area. The GMP fees were adopted in August 2025 by resolution of the Agency Board of Supervisors and there are no changes to the GMP fees in FY27.

In FY27, the Agency will utilize this Fund to centralize employee training and to develop and implement Agency-wide policies and procedures. The Fund also supports activities related to the development of the updated strategic plan, communications plan, and long-term financial planning and funding strategy studies for the Agency.

The range of activities included in FY27 Budget, within this Fund, includes:

- Administration covers the planning, organizing, directing, coordinating, and controlling of the Agency's operations, including:
 - FTE: 4.07 FTE
 - Governance related items
 - Employee development, training, safety, policies and procedures
 - \$595,000 contracted services:
 - Strategic plan update
 - Funding planning & funding strategy
 - Communication plan, public engagement & coordination
 - Completion of wage study
 - Agency file management system
- Operations and Maintenance of facilities
 - Staffing: 3.3 FTE
 - \$1,020,000 contracted services for:
 - Salinas River Lagoon Levee Repair
 - Repair of Upper Merritt channel & its pump station
 - Replacement of pumps at Lower Merritt and Santa Rita
 - Blanco Storm Drain
 - Salinas River Operation HCP
- Groundwater Monitoring Program
 - Staffing: 4.28 FTE
 - \$206,000 services and supplies include

- Well Registration system & its support
 - Water analysis lab
- Countywide flood monitoring and flood response:
 - Staffing: 0.3 FTE
 - Emergency Operations Center participation
 - General flood inquiries
 - Community support
 - Flood fight training and supply of materials
 - \$85,000 services and supplies include
 - Real-time storm monitoring
 - ALERT equipment
 - County of Monterey reimbursable services per a Memorandum of Understanding that includes well permit review and other technical services. 0.05 FTE
 - A transfer of \$150,000 to Fund 1507 (Fund 127) to cover a funding gap after a tide gate construction in Moro Cojo Slough.
 - Debt Payments totaling \$1,761,213 for SVWP are composed of Ad valorem taxes of \$632,508 and Zone 2C special assessment revenue of \$1,128,705.
 - Salinas River Lagoon Levee Repair is financed by County's strategic reserves and repair cost is eligible for FEMA reimbursement.

Table 2. Fund 1501 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	3,392,060
SPECIAL ASSESSMENTS	1,128,705
PROGRAM REVENUE - GMP	881,612
GRANTS - LOCAL, STATE AND FEDERAL	298,053
INTERESTS AND OTHER INCOME	170,818
TOTAL REVENUES	5,871,248

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	2,469,313
GL & POLLUTION INSURANCES	265,691
SERVICE CHARGES - COUNTY DEPARTMENTS	464,074
CONTRACTORS/CONSULTANTS	1,828,696
CONTRACTORS/CONSULTANTS - GRANT	263,583
EQUIPMENT & VEHICLES	345,196
SERVICES & SUPPLIES - EXTERNAL	381,953
FUND TRANSFER OUT	150,000
DEBT PAYMENTS (SVWP, CSIP, SVRP)	1,761,213
TOTAL EXPENDITURES	7,929,719

IMPACT TO FUND BALANCE	(2,058,471)
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ESTIMATED BEGINNING FUND BALANCE	5,103,687
ESTIMATED ENDING FUND BALANCE	3,045,216

- *\$150,000 Transfer-out to 1507-WRA106-930007

FUND 1502: PAJARO LEVEE (ZONE 1 & 1A)

The purpose of this fund is to maintain the Pajaro Levee and adjacent river bench as a flood control structure according to US Army Corps of Engineers criteria to reduce potential flooding impacts from the Pajaro River. In addition, this fund supports the watershed management effort of the Pajaro River Watershed Flood Prevention Authority and works with the Army Corps of Engineers to develop 100-year flood protection project.

In 2021 a Joint Powers Authority, the Pajaro Regional Flood Management Agency (PRFMA), was established to coordinate, finance, acquire, construct, improve, operate or maintain flood management infrastructure on the Pajaro River in Santa Cruz and Monterey Counties and the Agency is one of the member agencies. An Operations, Maintenance, Repair, Replacement, and Rehabilitation Assignment Agreement (OMRR&R) to transfer the operation, maintenance, repair, replacement, and rehabilitation of the Project was approved in 2023. A Cost Share Agreement was also approved in 2023 that required the member agencies to make cost share contributions to PRFMA on an ongoing basis.

The Agency and PRFMA staff coordinated on the transition of the activities where the Agency continued to support PRFMA on some general maintenance activities through a contract that expired on June 30, 2025.

In FY27, the Agency does not plan to perform any of these activities that have been successfully transferred to PRFMA. The activities budgeted for FY27 in Fund 1502 are outlined below:

- 0.14 FTE Administrative staff and staff cost, legal support activities, which includes flood assessment-based revenue collection in the zones.
- Disbursement of revenues to PRFMA through a cost share agreement \$548,538

Table 3. Fund 1502 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	-
SPECIAL ASSESSMENTS	574,612
PROGRAM REVENUE - (GMP, BDA, LU)	10,000
INTERESTS AND OTHER INCOME	35,562
TOTAL REVENUES	620,174

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	141,596
GL & POLLUTION INSURANCES	8,181
SERVICE CHARGES - COUNTY DEPARTMENTS	9,368
CONTRACTORS/CONSULTANTS -PRFMA CONTRIBUTION	548,538
EQUIPMENT & VEHICLES	4,100
SERVICES & SUPPLIES - EXTERNAL	22,580
FUND TRANSFER OUT	
TOTAL EXPENDITURES	734,363

IMPACT TO FUND BALANCE	(114,189)
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ESTIMATED BEGINNING FUND BALANCE	1,396,486
ESTIMATED ENDING FUND BALANCE	1,282,297

FUND 1503: SALINAS VALLEY WATER PROJECT DAM OPERATIONS, MAINTENANCE & ADMINISTRATION (ZONE 2C)

Fund 1503 (Fund 116) was established to support the Salinas Valley Water Project, and the Nacimiento & San Antonio Dams Operations and Maintenance. This fund also supports the Property Management Program of Agency lands within the Zone and the Nacimiento Boat Dock Program. The primary revenue for this Fund is the Zone 2C Special Benefit Assessment. Fund 1503 (Fund 116) receives additional revenues, some ongoing and more one-time, that are described below. There are several grazing and recreational lease agreements in place as well as a Boat Dock Fee Program that generate revenues to support those programs.

The Salinas River Operations Habitat Conservation Plan is under development and was funded through two Federal Endangered Species Act Section 6 Grants that are now expired, and a State funded Proposition 1 Integrated Regional Water Management Implementation Grant which will be wrapped up in FY27. The Agency applied for the 2025 Federal Endangered Species Act Section 6 grant to continue the efforts towards completion of this project but needs to keep the project moving forward in the meantime. Cost of Habitat Conservation Plan related activities in FY27 will be accounted for in Fund 1501 (Fund 111).

The Agency is currently developing a Salinas River flood inundation mapping tool funded through a DWR Flood Emergency Response grant as well as a forecast informed reservoir operation model tool, which was funded by a federal grant. Both projects will be completed in FY27.

In FY25, the Agency received \$850,000 cash aid from County's strategic reserves to make repairs and improvements to the Nacimiento Dam South Access Road, in response to damages during the 2023 winter storm events. The South Access Road project is scheduled to be completed in FY27 and is eligible for FEMA reimbursement.

The FY27 Budget reflects the Agency's ongoing efforts related to two DWR grant agreements that provide financing for a range of dam maintenance and dam safety projects at the Nacimiento and San Antonio Dams. The Nacimiento Reservoir and Dam Maintenance Project grant, authorized under the Budget Act of 2022 (Stats. 2022, ch. 249, § 207), totals \$6.163 million. All funding has been received, and the grant requires annual progress reporting and a final completion report. This agreement was executed on May 31, 2023, and subsequently amended on October 9, 2024.

The second grant agreement, authorized under the Budget Act of 2023 (Stats. 2023, ch. 189, § 33), provides \$16.15 million to support additional projects at both the Nacimiento and San Antonio facilities. This agreement was executed on May 28, 2024, amended on January 27, 2026, and includes a project completion deadline of December 31, 2027. All project expenditures under this grant are reimbursable and require quarterly progress reporting as well as a final completion report.

The range of activities proposed for the upcoming fiscal year includes:

- Nacimiento and San Antonio Dam Operations
 - Staffing: 4.9 FTE
 - \$241,600 services
 - Inspections, Reporting and Regulatory Compliance
 - Water Rights reporting
 - Salinas River Operations Habitat Conservation Plan
 - Salinas River Stream Maintenance Program
 - \$335,000 services funded by grants
 - Reservoir Operations studies
 - Forecast Informed Reservoir Operation Model Tool Development
 - Flood Inundation Mapping
- Nacimiento and San Antonio Dam Maintenance:
 - Staffing: 4.8 FTE
 - \$768,807 contract services
 - Nacimiento Spillway Inspections and Maintenance
 - San Antonio dam performance evaluation
 - South Access Road Repair
 - Repairs & upgrade at Dam caretaker residencies
 - \$2,950,000 services funded by grants:
 - Nacimiento Low Level Outlet Works Intake maintenance & bypass design
 - Nacimiento penstock protection
 - San Antonio Low Level Outlet Works Design Projects
 - San Antonio Buoy line
 - San Antonio communication update
 - San Antonio Drain Repairs
- Capital Improvements
 - Staffing: 3.9 FTE
 - \$3,425,000 services and supplies funded by grants
 - San Antonio Spillway Replacement
 - Nacimiento Plunge Pool Protection Project
 - Nacimiento Dam South Access Road Improvements
 - Nacimiento Dam Road & Bridge Repairs
- Property Management 0.8 FTE
 - Staffing: 0.8 FTE
 - Recreational leases with County of Monterey and Private groups
 - Property boundaries, access and maintaining lands
 - \$165,000 contract services for
 - Grazing lease program renewal and implementation
 - Vegetation Management
- Nacimiento Boat Dock Licensing Program
 - \$50,000 contracted services
 - Staffing, internal services & supplies
- Sandbar Management Program 0.3 FTE + \$28,000 services and supplies + vehicles and equipment costs
- Administration 3.5 FTE

Table 4. Fund 1503 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	-
SPECIAL ASSESSMENTS	4,616,155
PROGRAM REVENUE - (GMP, BDA, LU)	654,196
GRANTS - LOCAL, STATE AND FEDERAL	7,214,787
SLO COUNTY REIMBURSEMENT	680,000
INTERESTS AND OTHER INCOME	76,625
AGENCY & COUNTY INTERFUND TRANSFERS*	700,000
TOTAL REVENUES	13,941,763

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	4,298,010
GL & POLLUTION INSURANCES	587,346
SERVICE CHARGES - COUNTY DEPARTMENTS	739,427
CONTRACTORS/CONSULTANTS	829,896
CONTRACTORS/CONSULTANTS - GRANT FUNDED	6,710,000
EQUIPMENT & VEHICLES	579,712
SERVICES & SUPPLIES - EXTERNAL	858,221
FUND TRANSFER OUT	-
DEBT PAYMENTS (SVWP, CSIP, SVRP)	-
TOTAL EXPENDITURES	14,602,612

IMPACT TO FUND BALANCE	(660,849)
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ESTIMATED BEGINNING FUND BALANCE	2,734,104
ESTIMATED ENDING FUND BALANCE	2,073,255

- *\$700,000 fund transfer-in from Fund 1508-WRA107-930008

FUND 1504: SOLEDAD STORM DRAIN (ZONE 8)

The purpose of Fund 1504 (Fund 121) is to maintain the Soledad Storm Drain and Bryant Canyon Channel in accordance with an agreement with the City of Soledad and the Department of Housing and Urban Development for facilities such as the channel, culverts, and access roadway.

The FY27 budgeted activities include:

- Operations and maintenance of the facilities 0.12 FTE + \$20,500 services and supplies + equipment and vehicles
- Administration 0.02 FTE

Table 5. Fund 1504 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	
SPECIAL ASSESSMENTS	91,455
INTERESTS AND OTHER INCOME	11,289
AGENCY & COUNTY INTERFUND TRANSFERS	-
TOTAL REVENUES	102,744

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	25,750
GL & POLLUTION INSURANCES	6,602
SERVICE CHARGES - COUNTY DEPARTMENTS	4,947
CONTRACTORS/CONSULTANTS	
EQUIPMENT & VEHICLES	3,954
SERVICES & SUPPLIES - EXTERNAL	16,508
FUND TRANSFER OUT	-
TOTAL EXPENDITURES	57,761

IMPACT TO FUND BALANCE	44,983
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ESTIMATED BEGINNING FUND BALANCE	376,312
ESTIMATED ENDING FUND BALANCE	421,295

FUND 1505: RECLAMATION DITCH (ZONE 9)

The purpose of Fund 1505 (Fund 122) is to operate and maintain Reclamation Ditch No. 1665 (commonly referred to as the Rec Ditch) to reduce flooding impacts. The Rec Ditch watershed consists of an area of approximately 157 square miles. The Rec Ditch flows southeast to northwest, draining a series of generally dry lake beds (e.g., Carr Lake and Merritt Lake) that are farmed when not flooded and are linked by a system of lateral ditches (tributaries) and pumping facilities.

Near Castroville, the Rec Ditch flows into Tembladero Slough and then into the Old Salinas River (OSR) which discharges through tide gates at Potrero Road into Moss Landing Harbor. The Agency maintains sections of the Rec Ditch where the Agency has right-of-way, easements, or facilities.

The FY27 budgeted activities include:

- Operations and maintenance of facilities:
 - Staffing: 4.6 FTE
 - \$ 893,418 services and supplies + equipment and vehicles
 - Erosion control at the Santa Rita pump station
 - Repair and replacement of pumps & equipment
 - Rental equipment and repair
 - Trash removal and site cleanup
- Real-time storm monitoring & water quality study 0.27 FTE & Administration 1.21 FTE

Table 6. Fund 1505 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	356,799
SPECIAL ASSESSMENTS	1,447,533
INTERESTS AND OTHER INCOME	34,409
TOTAL REVENUES	1,838,741

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	1,138,623
GL & POLLUTION INSURANCES	167,219
SERVICE CHARGES - COUNTY DEPARTMENTS	172,859
CONTRACTORS/CONSULTANTS	268,628
EQUIPMENT & VEHICLES	331,443
SERVICES & SUPPLIES - EXTERNAL	293,347
TOTAL EXPENDITURES	2,372,119

IMPACT TO FUND BALANCE	(533,378)
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ESTIMATED BEGINNING FUND BALANCE	1,225,437
ESTIMATED ENDING FUND BALANCE	692,059

FUND 1506: SAN LORENZO CREEK (ZONE 12)

The purpose of Fund 1506 (Fund 124) is to reduce flooding from San Lorenzo Creek at King City and provide storm monitoring. The Agency coordinates with King City to remove silt and debris from the channel and maintains the Bulkhead Wall in the Villa Drive area.

- Operations and maintenance of the facilities 0.09 FTE + \$8,500 services and supplies + equipment and vehicles
- Administration 0.02 FTE

Table 7. Fund 1506 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	-
SPECIAL ASSESSMENTS	38,482
INTERESTS AND OTHER INCOME	1,217
AGENCY & COUNTY INTERFUND TRANSFERS	-
TOTAL REVENUES	39,699

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	21,680
GL & POLLUTION INSURANCES	4,428
SERVICE CHARGES - COUNTY DEPARTMENTS	3,135
CONTRACTORS/CONSULTANTS	-
EQUIPMENT & VEHICLES	2,670
SERVICES & SUPPLIES - EXTERNAL	5,775
FUND TRANSFER OUT	-
TOTAL EXPENDITURES	37,688

IMPACT TO FUND BALANCE	2,011
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ESTIMATED BEGINNING FUND BALANCE	40,560
ESTIMATED ENDING FUND BALANCE	42,571

FUND 1507: MORO COJO SLOUGH (ZONE 17)

The purpose of Fund 1507 (Fund 127) is to reduce flooding impacts from Moro Cojo Slough. Fund 1507 supports the maintenance of the existing four tide gates at Moss Landing Road, the berm between Moss Landing Road and Water Tower Hill, and operations and maintenance of the Castroville Pumping Station.

- Operations and maintenance of the facilities
 - Staffing: 0.40 FTE
 - \$596,058 services and supplies + equipment and vehicles
 - Repair of the Moss Landing Road tide gate structure
 - County's public work department will reimburse 50% of construction cost
- Administration 0.09 FTE
- The FY27 budget includes a \$150,000 fund transfer-in from Fund 1501 (Fund 111)

Table 8. Fund 1507 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	-
SPECIAL ASSESSMENTS	109,987
INTERESTS AND OTHER INCOME	1,201
AGENCY & COUNTY INTERFUND TRANSFERS*	425,000
TOTAL REVENUES	536,188

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	110,980
GL & POLLUTION INSURANCES	10,121
SERVICE CHARGES - COUNTY DEPARTMENTS	13,787
CONTRACTORS/CONSULTANTS	550,000
EQUIPMENT & VEHICLES	8,850
SERVICES & SUPPLIES - EXTERNAL	37,208
FUND TRANSFER OUT	-
TOTAL EXPENDITURES	730,946

IMPACT TO FUND BALANCE	(194,758)
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ESTIMATED BEGINNING FUND BALANCE	301,806
ESTIMATED ENDING FUND BALANCE	107,048

- *\$150,000 fund transfer-in from Fund 1501-WRA100-930001
- *\$275,000 fund transfer-in from Public Works department

FUND 1508: HYDRO-ELECTRIC PLANT

The purpose of Fund 1508 (Fund 130) is to operate and maintain the Nacimiento Dam Hydroelectric Plant and to administer the Power Purchase Agreement. The plant generates hydroelectric power at Nacimiento Dam which results in oversight of the dam by the Federal Energy Regulatory Commission (FERC). This fund supports the operation and maintenance of the Plant facilities and regulatory requirements related to FERC's oversight.

FY27 Budget includes:

- Operations and maintenance of the facilities:
 - Staffing: 1.34 FTE
 - \$420,00 contracted services
 - Facility inspections
 - Maintenance services
 - Meter calibration
 - Chatterbox update
 - PLC update
 - Hydraulic ground update
 - Electrical drawing updates
- A transfer of \$700,000 to Fund 1503 (Fund 116) to reimburse expenses of regulatory activities
- Administration 0.35 FTE

Table 9. Fund 1508 Revenues & Expense

REVENUES	AMOUNT
HYDROELECTRIC REVENUE	1,302,200
INTERESTS AND OTHER INCOME	63,296
TOTAL REVENUES	1,365,496

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	343,388
GL & POLLUTION INSURANCES	96,104
SERVICE CHARGES - COUNTY DEPARTMENTS	62,466
CONTRACTORS/CONSULTANTS	403,000
EQUIPMENT & VEHICLES	8,400
SERVICES & SUPPLIES - EXTERNAL	120,099
FUND TRANSFER OUT**	700,000
TOTAL EXPENDITURES	1,733,457

IMPACT TO FUND BALANCE	(367,961)
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ESTIMATED BEGINNING FUND BALANCE	2,109,875
ESTIMATED ENDING FUND BALANCE	1,741,914

FUND 1509: CASTROVILLE SEAWATER INTRUSION PROJECT (CSIP) (ZONE 2B & 2Y)

The purpose of Fund 1509 (Fund 131) is to provide operations and maintenance for the CSIP Distribution System component of the Recycled Water Projects for irrigation use in a coastal region of Monterey County that has been impacted by seawater intrusion in the 180/400-Foot Aquifer groundwater basin.

Facilities include a storage pond connected to a pipeline system with nine monitoring stations, three booster stations, 8 supplemental groundwater wells, assorted valves and other appurtenances, and 113 farm turnouts throughout the 12,000 acres of Zone 2B. A mix of recycled water, treated surface water, and groundwater is delivered to the CSIP customers within the system.

CSIP has been primarily operated by Monterey One Water, with oversight by the Agency, since the project's inception in 1998. In 2015, the Agency and Monterey One Water entered into an Amended and Restated Water Recycling Agreement to cover operations and maintenance of the Recycled Water Projects through 2045.

Activities in Fund 1509 (Fund 131) are funded with special benefit assessments of Zone 2B and 2Y and Water Delivery Charges from CSIP customers. The Agency recommends the Water Delivery Charge be set at \$100.24 per acre-foot for water delivered in FY27.

FY27 Budget funds the activities outlined below:

- Monterey One Water
 - Operations and Maintenance \$1,810,617
- Agency Operations and Maintenance
 - Staffing: 2.2 FTE
 - \$1,800,000 contract services for a well replacement project
 - \$1,413,000 contract services for
 - Well maintenance
 - Condition assessment phase II
 - Recycled water permit compliance
 - Title 22 Engineers Report & permit migration project
 - Cathodic Protection
 - ARV Replacement Plan
 - Pond Agitator
 - Repairs and management of equipment (equipment, valves etc)
 - Flow meter recalibration project
 - Operations Review
- USBR loan payments of \$1,650,000
- Administration 0.86 FTE

Table 10. Fund 1509 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	-
SPECIAL ASSESSMENTS	4,829,778
WATER DELIVERY & SERVICE CHARGES	879,891
GRANTS - LOCAL, STATE AND FEDERAL	900,000
INTERESTS AND OTHER INCOME	944,062
AGENCY & COUNTY INTERFUND TRANSFERS	-
TOTAL REVENUES	7,553,731

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	828,604
GL & POLLUTION INSURANCES	296,441
SERVICES - COUNTY DEPARTMENTS	114,772
CONTRACTORS/CONSULTANTS	2,046,000
CONTRACTORS/CONSULTANTS - GRANT	900,000
MONTEREY ONE WATER CONTRACT	1,810,617
EQUIPMENT & VEHICLES	12,500
SERVICES & SUPPLIES - EXTERNAL	46,347
FUND TRANSFER OUT	-
DEBT PAYMENTS (SVWP, CSIP, SVRP)	1,650,000
TOTAL EXPENDITURES	7,705,281

IMPACT TO FUND BALANCE	(151,550)
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ESTIMATED BEGINNING FUND BALANCE	1,468,745
ESTIMATED ENDING FUND BALANCE	1,317,195

FUND 1510: SALINAS VALLEY RECLAMATION PROJECT (SVRP) (ZONE 2B & 2Z)

The purpose of Fund 1510 (Fund 132) is to provide operations and maintenance for the SVRP Recycled Water Treatment Plant component of the Recycled Water Projects. Facilities include a tertiary treatment plant, which produces non-potable tertiary recycled water that meets State Title 22 water quality standards for irrigation of raw food crops.

The SVRP is located at the Monterey One Water Regional Treatment Plant. Monterey One Water (M1W) is the wastewater treatment provider in northern Monterey County where wastewater flows are cleaned and safely reintroduced into the environment.

SVRP facilities include pipelines, pumps, coagulation and flocculation basins, filtration systems, and chlorination facilities. The recycled water is then placed in the CSIP distribution storage pond to be delivered to the CSIP customers.

SVRP has been operated by Monterey One Water since the project's inception in 1998. In 2015, the Agency and Monterey One Water entered into an Amended and Restated Water Recycling Agreement to cover operations and maintenance of the Recycled Water Projects through 2045.

Activities in Fund 1510 (Fund 132) are funded with special benefit assessments of Zone 2B and 2Z and, revenues from Water Delivery Charges from CSIP customers. The Agency recommends the Water Delivery Charge be set at \$100.24 per acre-foot for water delivered in FY27.

Funded activities in FY27 are outlined below:

- Monterey One Water
 - Operations and Maintenance activities \$4,917,307 staffing, services and supplies
 - Capital Outlay \$300,000
- Agency activities:
 - Partial funding for pond agitators
- Reimbursement of M1W USBR loan payments \$984,75

Table 11. Fund 1510 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	-
SPECIAL ASSESSMENTS	5,090,373
WATER DELIVERY & SERVICE CHARGES	1,024,670
GRANTS - LOCAL, STATE AND FEDERAL	-
INTERESTS AND OTHER INCOME	50,197
AGENCY & COUNTY INTERFUND TRANSFERS	-
TOTAL REVENUES	6,165,240

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	-
GL & POLLUTION INSURANCES	89,192
SERVICE CHARGES - COUNTY DEPARTMENTS	6,989
CONTRACTORS/CONSULTANTS	50,000
MONTEREY ONE WATER CONTRACT	5,217,307
SERVICES & SUPPLIES - EXTERNAL	650
DEBT PAYMENTS (SVWP, CSIP, SVRP)	984,765
TOTAL EXPENDITURES	6,348,903

IMPACT TO FUND BALANCE	(183,663)
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ESTIMATED BEGINNING FUND BALANCE	1,673,239
ESTIMATED ENDING FUND BALANCE	1,489,576

FUND 1511: SALINAS RIVER DIVERSION FACILITY (SRDF) OPERATIONS AND MAINTENANCE (ZONE 2B)

The purpose of Fund 1511 (Fund 134) is to provide for operations and maintenance of the SRDF surface water diversion component of the Recycled Water Projects. Facilities include an instream inflatable dam, fish bypass system, diversion pump station with 4 diversion pumps, pipeline, standpipe, filtration system, and chlorination system. The SRDF filtration system and chlorination system are located at the Monterey One Water Regional Treatment Plant, where the filtered and chlorinated surface water is mixed with the recycled water from the SVRP in the CSIP Storage Pond and then delivered through the CSIP Distribution System.

The SRDF is a component of the Agency's Salinas Valley Water Project and operations began in 2010. The Agency operates the Nacimiento and San Antonio Reservoir to deliver the previously stored water to the SRDF site during the irrigation season, in compliance with State and Federal regulatory requirements. Those operations are permitted from April 1st to October 31st of each year. The operations are funded by Water Services Charges, which was approved through Proposition 218 process and adopted by Resolution 10-188. The Resolution indicates that the Water Service Charge is subjective to an annual CPI for the first five years and thereafter based on an evaluation by the Agency.

The Fund also captures expense related to a grant funded well destruction project for Zone 2B.

In FY27, the Agency recommends that the Water Service Charge be increased to \$113.57 per acre foot of water delivered, to cover a funding gap.

Monterey One Water, with management and oversight by the Agency, has operated the SRDF facility, since 2010. In 2015, the Agency and Monterey One Water entered into an Amended and Restated Water Recycling Agreement to cover operations and maintenance of the Recycled Water Projects through 2045.

Debt payments of Salinas Valley Water Project are funded with Ad Valorem and Zone 2C special assessments, in the amount of \$637,669 and \$1,122,045, respectively, from Fund 1501 (Fund 111).

FY27 budgeted activities in Fund 1511 are outlined below:

- Monterey One Water
 - Operations and Maintenance activities \$1,382,686 staffing, services and supplies
 - Capital Outlay \$61,250
- Agency Operations and Maintenance activities:
 - Staffing: 1.07 FTE
 - \$445,000 contracted services
 - Filtration Improvement Project
 - CABM Scour Repair Engineering and Design
 - Operations Review
 - SRDF Wet well cleanout, Weir torquing
 - Pond Agitators
 - Air compressor replacement 1

- Grant Funded Activities:
 - Well Destruction Project 0.26 FTE + \$350,000 services and supplies
- Administration 0.46 FTE

Table 12. Fund 1511 Revenues & Expense

REVENUES	AMOUNT
AD VALOREM TAXES	-
SPECIAL ASSESSMENTS	-
WATER DELIVERY & SERVICE CHARGES	2,157,801
GRANTS - LOCAL, STATE AND FEDERAL	392,585
INTERESTS AND OTHER INCOME	40,970
AGENCY & COUNTY INTERFUND TRANSFERS	-
TOTAL REVENUES	2,591,356

EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	473,657
GL & POLLUTION INSURANCES	66,448
SERVICE CHARGES - COUNTY DEPARTMENTS	73,621
CONTRACTORS/CONSULTANTS	445,000
CONTRACTORS/CONSULTANTS - GRANT FUNDED	350,000
MONTEREY ONE WATER CONTRACT	1,443,936
EQUIPMENT & VEHICLES	20,750
SERVICES & SUPPLIES - EXTERNAL	38,961
FUND TRANSFER OUT	-
DEBT PAYMENTS (SVWP, CSIP, SVRP)	-
TOTAL EXPENDITURES	2,912,373

IMPACT TO FUND BALANCE	(321,017)
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ESTIMATED BEGINNING FUND BALANCE	1,365,679
ESTIMATED ENDING FUND BALANCE	1,044,662

FUND 1950: INTERLAKE TUNNEL AND SPILLWAY MODIFICATION DWR GRANT PROJECT/STUDY (ILT)

The purpose of Fund 1950 (Fund 426) is to track the DWR's \$10 million grant to study the feasibility of an Interlake Tunnel between Nacimientto and San Antonio Reservoirs with modifications to the Nacimientto Spillway. Operationally, the Interlake Tunnel would divert water from Nacimientto Reservoir to San Antonio Reservoir that would have otherwise been spilled at Nacimientto Dam. The Nacimientto River basin produces nearly three times the average annual flow of the San Antonio River basin, therefore, capturing high Nacimientto River flows and diverting those flows to San Antonio Reservoir increases the overall storage capacity of the system.

The grant has now expired, and the Agency continues the efforts towards completion of the grant.

Activities covered by this fund are guided by the scope and deliverables of the grant agreement with DWR, including:

- Grant administration & completion report
- Water rights
- Draft engineer's report

Table 13. Fund 1950 Revenues & Expense

REVENUES	AMOUNT
INTERESTS AND OTHER INCOME	14,952
TOTAL REVENUES	14,952
EXPENSES	AMOUNT
EMPLOYEE COST - SALARIES AND BENEFITS	132,508
GL & POLLUTION INSURANCES	
SERVICE CHARGES - COUNTY DEPARTMENTS	9,696
CONTRACTORS/CONSULTANTS	80,000
TOTAL EXPENDITURES	222,204
IMPACT TO FUND BALANCE	(207,252)
ESTIMATED BEGINNING FUND BALANCE	498,403
ESTIMATED ENDING FUND BALANCE	291,151

FUND 1810: CSIP DEBT SERVICE

Fund 1810 (Fund 303) issues debt service payments to the United States Bureau of Reclamation loan that funded the Castroville Seawater Intrusion Project.

Table 14. Fund 1810 Revenues & Expense

REVENUES	AMOUNT
DEBT TRANSFERS (CSIP & SVWP)	1,650,000
TOTAL REVENUES	1,650,000
EXPENSES	AMOUNT
DEBT PAYMENT (INTERESTS & PRINCIPLE)	1,650,000
TOTAL EXPENDITURES	1,650,000
IMPACT TO FUND BALANCE	0

FUND 1835: SALINAS VALLEY WATER PROJECT DEBT SERVICE

The purpose of Fund 1835 (Fund 313) is to issue payments of SVWP, which is financed by partial Ad Valorem taxes and Zone 2C Special Assessments from Fund 1501 (Fund 111). Debt for SVWP was issued by Monterey County Financing Authority.

Table 15. Fund 1835 Revenues & Expense

REVENUES	AMOUNT
DEBT TRANSFERS (CSIP & SVWP)	1,761,213
TOTAL REVENUES	1,761,213
EXPENSES	AMOUNT
DEBT PAYMENT (INTERESTS & PRINCIPLE)	1,761,213
TOTAL EXPENDITURES	1,761,213
IMPACT TO FUND BALANCE	0

CONSOLIDATED FUND BALANCE SUMMARY

Table 16. Agency's Unassigned Fund Balances Summary

MCWRA FY27 Unassigned Fund Balance Summary									
Fund	Fund Name	Zone	FY25 Estimated Add (Use)	FY26 Budgeted Add (Use)	FY27 Estimated Beginning Balance	FY27 Budgeted Expense	FY27 Budgeted Revenue	FY27 Budgeted Add (Use)	FY27 Estimate Ending Balance
1501	Administration Fund		598,662	(145,809)	5,103,687	7,929,719	5,871,248	(2,058,471)	3,045,216
1502	Pajaro Levee	1/1A	426,443	(204,496)	1,396,486	734,363	620,174	(114,189)	1,282,297
1503	Dam Operations	2C	1,660,288	(626,591)	2,734,104	14,602,612	13,941,763	(660,849)	2,073,255
1504	Soledad Storm Drain	8	69,802	2,802	376,312	57,761	102,744	44,983	421,295
1505	Reclamation Ditch	9	179,210	(333,348)	1,225,437	2,372,119	1,838,741	(533,378)	692,059
1506	San Lorenzo Creek	12	10,095	(6,133)	40,560	37,688	39,699	2,011	42,571
1507	Moro Cojo Slough	17	(49,900)	(321,329)	301,806	730,946	536,188	(194,758)	107,048
1508	Hydro-Electric Ops		676,354	(644,361)	2,109,875	1,733,457	1,365,496	(367,961)	1,741,914
1509	CSIP Operations	2B/Y	(729,644)	(240,935)	1,468,745	7,705,281	7,553,731	(151,550)	1,317,195
1510	SVRP Operations	2B/Z	(251,337)	(730,810)	1,673,239	6,348,903	6,165,240	(183,663)	1,489,576
1511	SRDF Operations		(503,314)	(800,686)	1,365,679	2,912,373	2,591,356	(321,017)	1,044,662
1810	CSIP Debt Service		-	-	770,672	1,650,000	1,650,000	-	770,672
1835	SVWP Debt Service		15	-	1,036,760	1,761,213	1,761,213	-	1,036,760
1950	Interlake Tunnel		405,534	(116,562)	498,403	222,204	14,952	(207,252)	291,151
Total:			2,492,208	(4,168,258)	20,101,765	48,798,639	44,052,545	(4,746,094)	15,355,671

Table 17 Agency's Assigned Fund Balances Summary

MCWRA Assigned Fund Balance Summary						
Fund	Fund Name	BSA	Description	FY26 Estimated Ending Balance	Budgeted Change in FY27	FY27 Estimated Ending Balance
1501	Administration Fund	30040	Canyon Del Rey Improvement	12,200	0	12,200
1503	Dam Operations	30040	Cloud Seeding Reserve	125,000	0	125,000
1503	Dam Operations	30040	Capital Project	840,000	0	840,000
1505	Reclamation Ditch	30040	Markeley Swamp Reserve	245,158	0	245,158
1509	CSIP Operations	22430	USBR Loan Reserve	254,187	0	254,187

AGENCY ZONE MAPS

An interactive map displaying Agency's Zone boundaries is available on Agency's website:

<https://www.countyofmonterey.gov/government/government-links/water-resources-agency/about/assessment-zones>

