

FY2026-27 Board of Directors Budget Workshop

March 16, 2026, at 10:00 am





Agenda

1. Welcome
2. Budget overview
3. Strategic Plan
 - Organizational Goals & Objective for FY26-27
 - Staffing and Organizational Chart
4. Funding Opportunities
5. Highlights – Projects in FY27
 - Fund 1501 (111) Administration & Agency Wide
 - Fund 1505 (122) Rec Ditch
 - Fund 1503 (116) Dam Operations
 - Fund 1508 (130) Hydro plant Operations :
 - Fund 1509/1510/1511 (131/132/134) Recycled Water Projects update including proposed rates
6. Schedule & Next Step





FY2026-27 Budget Overview

Nan Kim
Finance Manager



FY27 Budget Review

NEW ERP (Oracle) - New Numbers

Fund Name	CGI	Oracle
Water Resources Administration	111	1501
Pajaro Levee	112	1502
Dam Operations	116	1503
Soledad Storm Drain	121	1504
Reclamation Ditch	122	1505
San Lorenzo Creek	124	1506
Moro Cojo Slough	127	1507
Hydro-Electric Operations	130	1508
CSIP Operations	131	1509
SVRP Operations	132	1510
SRDF Operations	134	1511
Interlake Tunnel Project	426	1950
Monterey County Financing Authority	313	1835
CSIP Debt Service Administration	303	1810

FY27 Budget – Revenue Overview

Revenues:

Revenue growth does not support expenses needed for increased O&M cost, staffing and major repair and replacement projects

- COLA Increase by CPI
 - Flood Assessments & Special Assessments & Grazing Lease
 - Using CPI 2.5% as a place holder (Actual CPI on March 11, 2026)
- Program Revenue: no rate change in FY27
 - Boat Dock & Groundwater Monitoring Program
- Expense Reimbursements
 - SLO County : \$680,000 San Antonio O&M activities
 - Public Works Department : \$275,000 (50% Fund **1507(127)** Tide gate construction)
 - Grants
- Other Revenue
 - Hydro-Electric Revenue & Ad Valorem Taxes
 - CSIP Funding agreements
 - Water Delivery Charge \$100.24 (increase of \$15/af)
 - Water Service Charge \$113.57 (increase of \$25/af)

FY27 Budget – Expense Overview

Expenses:

Expense growth exceeds revenue increase:

- Salaries & Benefits
 - Total 45 Funded Position (net +1 FTE (Program Manager II))
 - County's labor union negotiation outcomes
 - PERS, UAL & Health Insurance increased by \$.91 million
- Other Charges
 - Insurances \$1.60 million, decreased by \$480,000
 - County's Cost Plan \$979,541 increased by \$687,358
- Contractor & Consultants
 - Total \$23.74 million
 - Grants reimbursable \$8.22 million (increase of \$5.1 million)
 - Monterey One Water \$8.47million (decrease of \$.88 million)
- Fund Transfers
 - Fund **1501** (111) Admin to Fund **1507** (127) Moro Cojo Slough \$150,000
 - Fund **1508** (130) Hydro plant to Fund **1503** (116) Dam Operations \$700,000



FY27 Budget Overview

Total Appropriations :

- **\$48,798,639** Expense
 - **12 % increase** from FY26 \$43,605,537

Total Revenue :

- **\$44,052,545** Revenue
 - **12 % increase** from FY26 \$39,437,279
 - **2.5% CPI released on March 11, 2026**

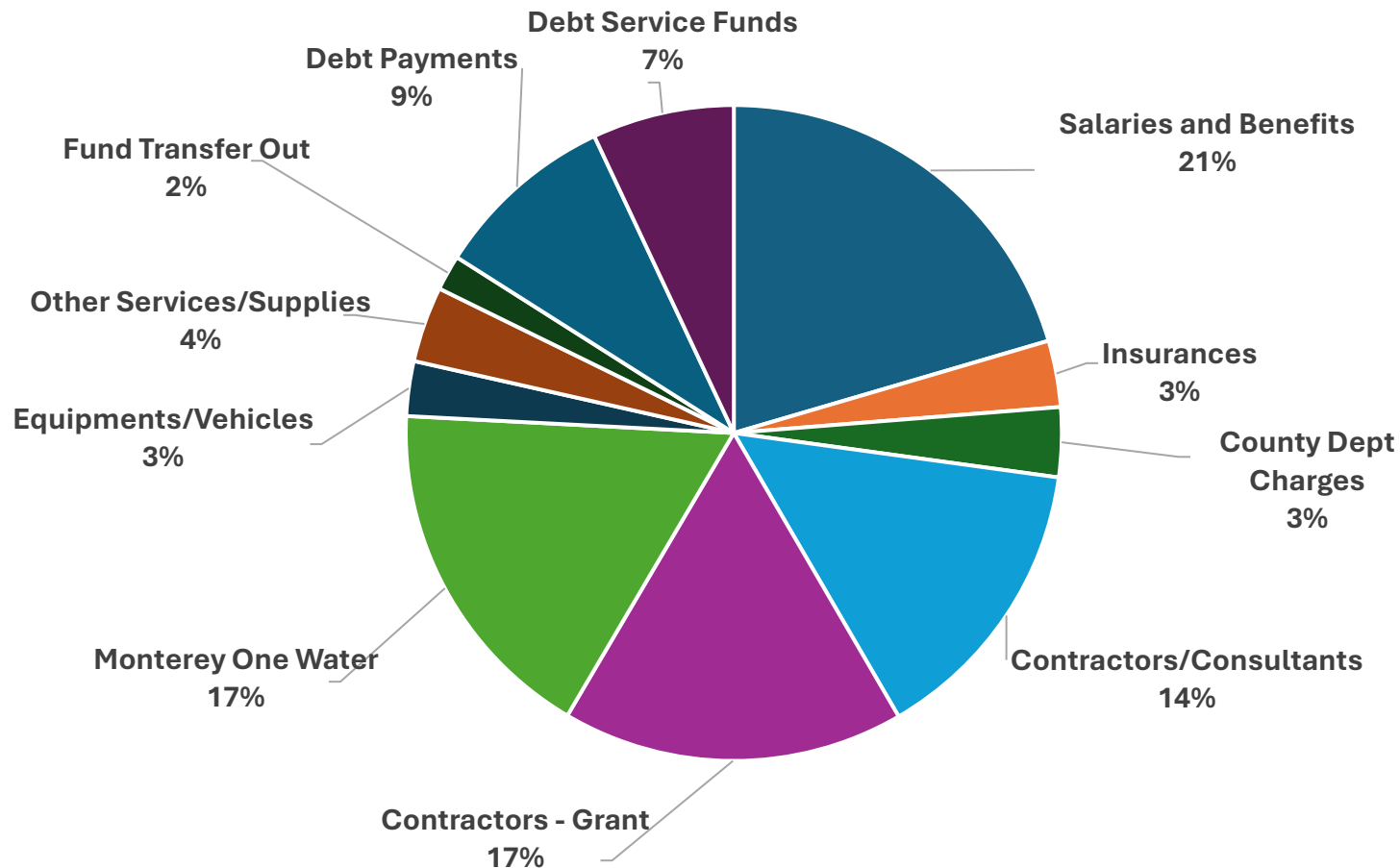
Fund Balance Use:

- Statutorily balanced by using \$4,746,094 fund balance to cover funding gaps

5 Year Expense History

Expense & Revenue Category	2023 Actual	2024 Actual	2025 Actual	2026 Amended	2027 Request
Expenses	34,125,611	40,764,221	34,668,974	43,605,540	48,798,639
Revenue	37,469,653	36,522,351	37,161,181	39,437,279	44,052,545
Employee Cost - Salaries and Benefits	6,212,343	6,215,742	6,774,140	8,594,931	9,984,109
GL & Pollution Insurances	939,570	1,346,512	1,641,786	2,091,787	1,597,773
Service Charges - County Departments	1,035,391	2,382,246	1,072,261	952,095	1,675,141
Contractors/Consultants	3,954,916	4,489,032	2,170,868	5,143,958	7,049,758
Contractors/Consultants - Grant	1,183,350	2,461,651	3,124,945	6,150,000	8,223,583
Monterey One Water Contract	8,019,596	9,557,314	9,163,033	9,357,370	8,471,860
Equipments & Vehicles	1,117,613	1,055,061	1,028,823	1,041,504	1,317,575
Services & Supplies - External	3,401,330	3,856,243	2,137,146	1,744,464	1,821,649
Fund Transfer Out	636,162	1,836,069	-	700,000	850,000
Debt Payments (SVWP, CSIP, SVRP)	4,308,952	4,271,886	4,264,033	4,419,714	4,395,978
Debt Service Funds	3,316,393	3,292,467	3,291,939	3,409,714	3,411,213
TOTAL EXPENDITURES:	34,125,616	40,764,223	34,668,974	43,605,537	48,798,639

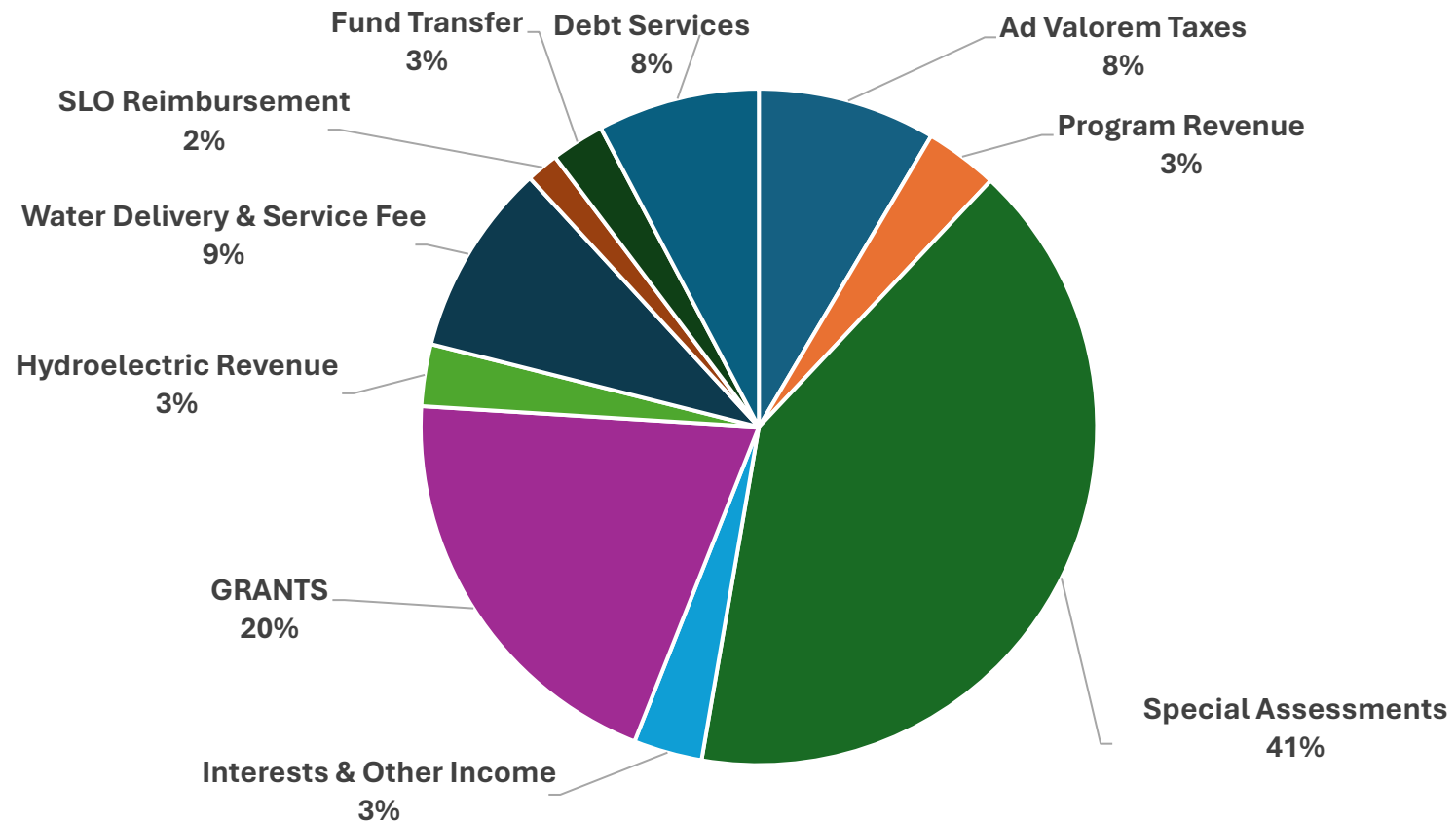
FY27 Budget – Expense Distribution



5 Year Revenue History

Expense & Revenue Category	2023 Actual	2024 Actual	2025 Actual	2026 Amended	2027 Request
Expenses	34,125,611	40,764,221	34,668,974	43,605,540	48,798,639
Revenue	37,469,653	36,522,351	37,161,181	39,437,279	44,052,545
Ad Valorem Taxes	3,360,656	3,516,520	3,674,910	3,558,674	3,748,859
Special Assessments	16,338,356	16,992,670	17,363,699	17,782,840	17,927,080
Water Delivery & Service Charges	1,294,432	2,449,764	2,367,659	3,302,362	4,062,362
Program Revenue - (GMP, BDA, LU)	653,715	996,967	920,344	810,998	1,545,808
Hydroelectric Revenue	634,394	1,345,925	1,446,889	1,100,000	1,302,200
GRANTS - Local, State and Federal	2,158,290	4,710,087	5,474,232	6,360,441	8,805,425
SLO County Reimbursement	582,468	614,071	786,699	750,000	680,000
Interests and Other Income	544,790	680,730	987,482	1,662,250	1,444,598
Agency & County Interfund Transfers	8,586,162	1,923,148	850,000	700,000	1,125,000
Debt TRANSFERS (CSIP & SVWP)	3,316,392	3,292,467	3,289,268	3,409,714	3,411,213
TOTAL REVENUES	37,469,655	36,522,349	37,161,182	39,437,279	44,052,545

FY27 Budget – Revenue Distribution



FY27 Budget – Fund Balances

Fund Balances **ESTIMATES**

Expense & Revenue Category	2023 Actual	2024 Actual	2025 Actual	2026 Amended	2027 Request
Expenses	34,125,611	40,764,221	34,668,974	43,605,540	48,798,639
Revenue	37,469,653	36,522,351	37,161,181	39,437,279	44,052,545
Beginning Fund Balance	21,931,812	25,163,601	20,816,727	23,308,935	20,101,765
Use of Fund Balance (Draw)	3,231,789	(4,346,874)	2,492,208	(4,168,258)	(4,746,094)
Estimate Ending Fund Balance *^~	25,163,601	20,816,727	23,308,935	19,140,677	15,355,671

* includes unspent strategic reserve from the County for 2023 winterstorm event (estimated at \$1.8 M)

^ Ending Fund Balance for FY22, F23 & F24 is actual

~ Ending Fund Balance for FY25 & FY26 is estimated

2026 Amended reflects a budget amendment for GMP

Fund **1501** (111) – Administration & Agencywide Service

FUND 111	2027 Request
Expenses	7,929,719
Revenue	5,871,248
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
Equipments & 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
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
Agency & County Interfund Transfers	-
TOTAL REVENUES	5,871,248

Budgeted Activities in FY27:

- Salinas River Lagoon Rd Repair
- Groundwater Monitoring Program
- Alert Services & Supplies
- Financial Planning & Strategies
- Communication Plan
- Filing System
- Agencywide staff training
- Transfer to Moro Cojo **1507** (127)
- SVWP debt payment
- Upper Meritt Plump Station Repair
- Pump replacements

Fund 1503 (116) – Dam Operations

FUND 116	2027 Request
Expenses	14,602,612
Revenue	13,941,763
Employee Cost - Salaries and Benefits	4,298,010
GL & Pollution Insurances	587,346
Services - County Departments	739,427
Contractors/Consultants	829,896
Contractors/Consultants - Grant	6,710,000
Equipments & Vehicles	579,712
Services & Supplies - External	858,221
Debt Payments (SVWP, CSIP, SVRP)	-
TOTAL EXPENDITURES:	14,602,612
Ad Valorem Taxes	-
Special Assessments	4,616,155
Program Revenue-Lease, Boat Dock	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

Budgeted Activities in FY27:

- Boat Dock Program
- Land Management
- Old Salinas River Management
- Facility Equipment Management
- Naci South Access Road Repair
- Naci spillway inspection & maintenance
- Grants:
 - FIRO, Flood Map & IRWMP
 - Naci Maintenance grant
 - Plunge Pool
 - LLO bypass
- SB 104
 - Naci Road & Bridge Repair
 - Naci High-level gate
 - SAD Buoy line
 - SAD 12' drain
 - SAD LLO designs
 - SAD Spillway replacement project

Fund 1509/1510/1511 (131/132/134) – RWP

WRA Recycled Water Program	FY27 Budget CSIP	FY27 Budget SVRP	FY27 Budget SRDF
Employee Cost - Salaries and Benefits	828,604	-	473,657
GL & Pollution Insurances	296,441	89,192	66,448
Services - County Departments	114,772	6,989	73,621
Contractors/Consultants	2,046,000	50,000	445,000
Contractors/Consultants - Grant	900,000	-	350,000
Monterey One Water Contract	1,810,617	5,217,307	1,443,936
Equipments & Vehicles	12,500	-	20,750
Services & Supplies - External	46,347	650	38,961
Debt Payments (SVWP, CSIP, SVRP)	1,650,000	984,765	-
TOTAL EXPENDITURES:	7,705,281	6,348,903	2,912,373
Ad Valorem Taxes	-	-	-
Special Assessments	4,829,778	5,090,373	-
Water Delivery & Service Charges	879,891	1,024,670	2,157,801
GRANTS - Local, State and Federal	900,000	-	392,585
Interests and Other Income	944,062	50,197	40,970
Agency & County Interfund Transfers	-	-	-
TOTAL REVENUES	7,553,731	6,165,240	2,591,356
Beginning Fund Balance	1,468,745	1,673,239	1,365,679
Use of Fund Balance (Draw)	(151,550)	(183,663)	(321,017)
Estimate Ending Fund Balance *^~	1,317,195	1,489,576	1,044,662



FY27 Budget – Summary

MCWRA FY27 Unassigned Fund Balance Summary										
NEW Fund	CGI 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	111	Administration Fund		598,662	(145,809)	5,103,687	7,929,719	5,871,248	(2,058,471)	3,045,216
1502	112	Pajaro Levee	1/1A	426,443	(204,496)	1,396,486	734,363	620,174	(114,189)	1,282,297
1503	116	Dam Operations	2C	1,660,288	(626,591)	2,734,104	14,602,612	13,941,763	(660,849)	2,073,255
1504	121	Soledad Storm Drain	8	69,802	2,802	376,312	57,761	102,744	44,983	421,295
1505	122	Reclamation Ditch	9	179,210	(333,348)	1,225,437	2,372,119	1,838,741	(533,378)	692,059
1506	124	San Lorenzo Creek	12	10,095	(6,133)	40,560	37,688	39,699	2,011	42,571
1507	127	Moro Cojo Slough	17	(49,900)	(321,329)	301,806	730,946	536,188	(194,758)	107,048
1508	130	Hydro-Electric Ops		676,354	(644,361)	2,109,875	1,733,457	1,365,496	(367,961)	1,741,914
1509	131	CSIP Operations	2B/Y	(729,644)	(240,935)	1,468,745	7,705,281	7,553,731	(151,550)	1,317,195
1510	132	SVRP Operations	2B/Z	(251,337)	(730,810)	1,673,239	6,348,903	6,165,240	(183,663)	1,489,576
1511	134	SRDF Operations		(503,314)	(800,686)	1,365,679	2,912,373	2,591,356	(321,017)	1,044,662
1810	303	CSIP Debt Service		-	-	770,672	1,650,000	1,650,000	-	770,672
1835	313	SVWP Debt Service		15	-	1,036,760	1,761,213	1,761,213	-	1,036,760
1950	426	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



FY27 Budget – Reserved Funds

Assigned Funds

MCWRA Assigned Fund Balance Summary							
New Fund	CGI Fund	Fund Name	BSA	Description	FY26 Estimated Ending Balance	Budgeted Change in FY27	FY27 Estimated Ending Balance
1501	111	Administration Fund	3123	Canyon Del Rey Improvement	12,200	0	12,200
1503	116	Dam Operations	3123	Cloud Seeding Reserve	125,000	0	125,000
1503	116	Dam Operations	3123	Capital Project	840,000	0	840,000
1505	122	Reclamation Ditch	3123	Markeley Swamp Reserve	245,158	0	245,158
1509	131	CSIP Operations	2569	USBR Loan Reserve	254,187	0	254,187



FY2026-27 Budget Strategic Plan and Organizational Goals

Shaunna Murray

Deputy General Manager





FY27 Strategic Plan Implementation

2020 Strategic Plan:

- This plan still guides us through the multi-year goals
 - **GOAL A. INFRASTRUCTURE MAINTENANCE**
 - **GOAL B. PLANNING AND NEW PROJECTS**
 - **GOAL C. FINANCIAL SUSTAINABILITY**
 - **GOAL D. EFFECTIVE CORE SERVICES AND ORGANIZATION IMPROVEMENT**
 - **GOAL E. COMMUNITY RELATIONS**
- Staff sets annual priorities to meet these goals
- The FY27 proposed budget considers these priorities, including updating the plan to meet future objectives

FY27 Strategic Plan Priorities

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**

Finance Section

- Successful **Implementation of Oracle**, County's new Enterprise Resource Planning (**ERP**) in spring of 2026
- Maximization of Revenue Opportunities: prepare for **1st year billing of the GMP Fees**
- Improve budget control & expense monitoring internally
- Recruit for a **Senior Account Clerk**

Where in the FY27 Budget?

- **STAFF TIME**
- **STAFF TIME**
- **TRAINING, FUND 1501 (111)**
- **STAFF TIME and COUNTY CHARGES**
- **REVENUE, FUND 1501 (111)**
- **STAFF TIME**
- **SALARIES, VARIOUS FUNDS**

FY27 Strategic Plan Priorities

Engineering & Dam Safety Section – Naci

- Complete Nacimiento Dam's **South Access Road** repairs
- Replacement of all **3 Low-level Intake's valve actuators**, and installation of the sixth **outlet valve**
- **Nacimiento Lake Drive Road and Spillway Bridge** repairs, with completion anticipated in 2027

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 of eight subprojects
- Complete the revised draft of the SA **Emergency Action Plan**
- Perform **annual preventive maintenance** of the Nacimiento **Power Plant** and Switchyard equipment

Where in the FY27 Budget?

- FUND **1503** (116), FEMA
- FUND **1503** (116), GRANT
- FUND **1503** (116), GRANT
- FUND **1503** (116), GRANT
- FUND **1503** (116), GRANT
- FUND **1503** (116), GRANT
- STAFF TIME
- FUND **1508** (130)

FY27 Strategic Plan Priorities

Hydrology & Environmental Resources

- Complete an **Invasive Mussel Prevention Plan** for San Antonio Reservoir
- **Broaden the groundwater extraction reporting program** to water systems and **expansion areas**
- Fully implement the **Monitoring Plan for the Deep Aquifers**
- Implement the **GMP** and **Low Effect HCP**

Maintenance Section

- **Fill** current **Water Maintenance Worker** vacancy
- Perform a **condition assessment and rehabilitation plan** of **SA's outlet valve and operating equipment**
- Perform **caretaker infrastructure** repairs and improvements at Dams
- Evaluate **drone spray program** and feasibility of using technology **in other areas**

Where in the FY27 Budget?

- FUND **1501** (111), GRANT
- STAFF TIME
- FUND **1501** (111), GMP
- FUND **1501** (111)
- FUND **1503** (116)
- SALARIES, FUND **1503** (116)
- FUND **1503** (116), GRANT
- FUND **1503** (116)
- STAFF TIME

FY27 Strategic Plan Priorities

Operations Section

- Secure **funding** to complete the **Salinas River Operations HCP development**
- Analyze and **update annual funding** for the **WRA Recycled Water Projects** for long -term support
- **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 operations

Where in the FY27 Budget?

- **STAFF TIME**
- **STAFF TIME**
- **FUND 1503 (116)**
- **FUND 1503 (116), GRANT**



Strategic Plan December Workshop

Breakout Groups: Agency staff are working on addressing opportunities discussed through various new initiatives.

1. **Communication and public engagement**

- Developing an outreach and engagement plan to help educate the community about the Agency and to support future financing needs

2. **The future of WRA Recycled Water Projects**

- Staff will continue hosting biennial landowner outreach meetings
- Evaluating and piloting one-time revenue options to support projects

3. **Staff recruitment, development and retention**

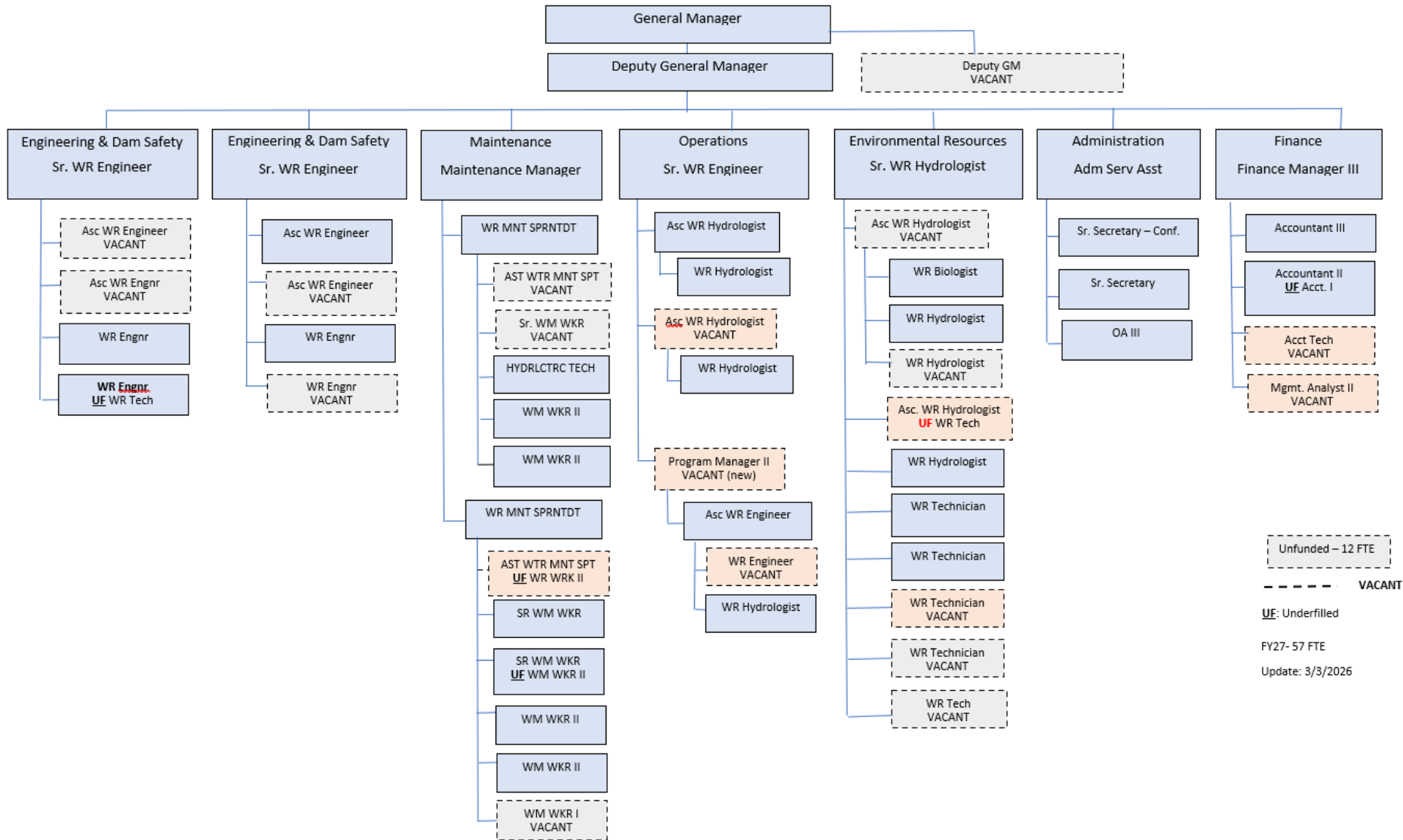
- Investigate opportunities to collaborate with partner agencies to increase efforts
- Working with Human Resources to develop an Agency-specific compensation philosophy to address our unique job classifications

4. **Modeling tools and applications**

- A presentation to the full Board of Directors, is being considered for the spring

Monterey County Water Resources Agency

FY27 Recommended Positions





FY2026-27 Budget Funding Opportunities

Ara Azhderian
General Manager



Funding Opportunities – Grants

Current Grants & Status

Grant Summary				
Grant Name	Total Grant Share	YTD total grant exp (thru December 2025)	YTD Rev Total	Remaining billable
DWR-SVBGSA Subgrant R2	400,000	284,547	249,205	115,453
DWR-Carmel River Flooding impact Study	230,000	100,909	230,000	129,091
NOAA/ CA Marine Sanctuary	192,479	10,871	3,167	181,608
DWR-IRWM	1,096,284	740,775	733,157	355,509
Nacimientto Maintenance Project	6,163,000	2,146,788	6,163,000	4,016,212
USBR-FIRO Grant	400,000	46,813	0	400,000
DWR-Flood Emergency Response Grant	180,000	145,871	34,593	34,129
CalSIP Grant	74,914	7,659	5,993	67,256
DWR-SB104 (NACI & SA)	16,150,000	525,071	162,520	15,624,929
CDWF-Invasive Mussel Prevention	77,727	196	0	77,531
PROP 1 Well Destruction-Fund 134	2,986,943	2,169,423	2,087,010	817,520
DWR-Interlake Tunnel	10,000,000	9,876,000	10,000,000	124,000
Total	37,951,347	16,054,921	19,668,644	21,943,239
Funding Awarded - Pending Agreement				
Federal Aid (EPA CSIP)-Fund 131	900,000	38,657	0	0
Total	900,000	38,657	0	0



Future Funding Opportunities

- **Federal Requests submitted**

- Senators Padilla & Schiff, Representatives Lofgren & Panetta
- \$6 million for the Low Level Outlet Works Rehabilitation Project @ San Antonio Dam
- \$2.1 million for the Nacimiento Lake Drive Repaving Project
- \$500,000 for the Reclamation Ditch Restoration Project
- In the 2025 federal legislative cycle, Senator Padilla picked up the Agency's request for the San Antonio Dam Low Level Outlet Works Rehabilitation Project but, ultimately, it was not included in the final budget package signed by President Trump in January.

- **State Funding Opportunities**

- California Department of Water Resources (DWR) Dam Safety and Climate Resilience (DSCR) Local Assistance Program
- 2026-27 Legislative Appropriations



FY2026-27 Budget Highlight: Projects & Programs

Ara Azhderian, General Manager

Rob McKay, Maintenance Manager

Mark Foxworthy, Senior Water Resources Engineer

Elise Harden, Senior Water Resources Engineer





Fund **1501** (111)

– Dam Safety & Operations Funding Strategy

- **Focused Studies** - \$220,000:
 - Dam Owner Regulatory Program Cost Study
 - Dam Materiality General Benefits Study
 - Flood Reduction Benefits Study
 - Groundwater Recharge Benefits Study
- **Communications Program** - \$150,000:
 - Agency Branding
 - Outreach & Education
 - Polling
- **Legal Compliance** - \$50,000:
 - Municipal Finance Advisor, Bond Counsel

Fund 1505 (122)- Maintenance Projects & Activities.

- Santa Rita Pump station

- Rebuild out of service 100 HP pump.
- Install a new 75 HP submersible pump with control system.
- Install Low HP pump System with controls.
- Build and install trash racks.

- Lower Merritt Pump Station

- Install low HP Pump with controls.

- Equipment rental and Maintenance.

- Quinn, Hertz and A-tool.
- Henningsen construction.

- Facility trash removal and Cleanup

- Smith & Enright Landscaping.



Fund **1503** (116) – SB104 Dam Safety Project Grant

- The **SB104** original agreement : **\$16.1 million** dollars to fund dam safety projects of the San Antonio Dam and the Nacimiento Dam
 - **San Antonio Spillway** Replacement Project : **\$3 million**
 - **Nacimiento Plunge Pool** Project : **\$14 million**
- **Amendment No. 1**: executed on January 26, 2026
 - Allows the Agency to utilize **more funding toward Dam Safety Projects** as opposed to only two specified projects.

Summary Budget: Nacimiento and San Antonio Reservoir Dam Safety Projects

Subproject Title	State Funds	Agency Cost	Total Project Cost
Nacimiento Dam Safety Projects	\$ 6,550,000.00	\$ 1,000,000.00	\$ 7,550,000.00
San Antonio Dam Safety Projects	\$ 9,600,000.00	\$ 5,000,000.00	\$ 14,600,000.00
Total	<u>\$ 16,150,000.00</u>	\$ 6,000,000.00	\$ 22,150,000.00

Fund **1503** (116) – SA LLOW Projects

In FY 2027, the Agency will begin work on the **8 LLOW Projects**:

- Estimate: \$8,000,000
- Funding: \$6,000,000 SB104
- FY 2027: \$1,750,000

Projects beginning include:

Construction

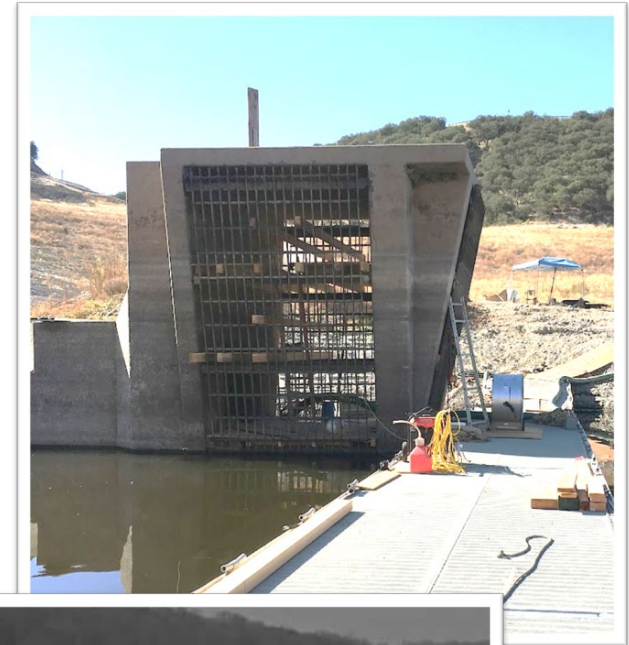
- Boat Barrier Buoy Line
- Bulkhead Gate
- Air Vacuum Release Valves

Design

- Trash Racks
- Access Hatches (confined space entry)

Condition Assessments and Repairs

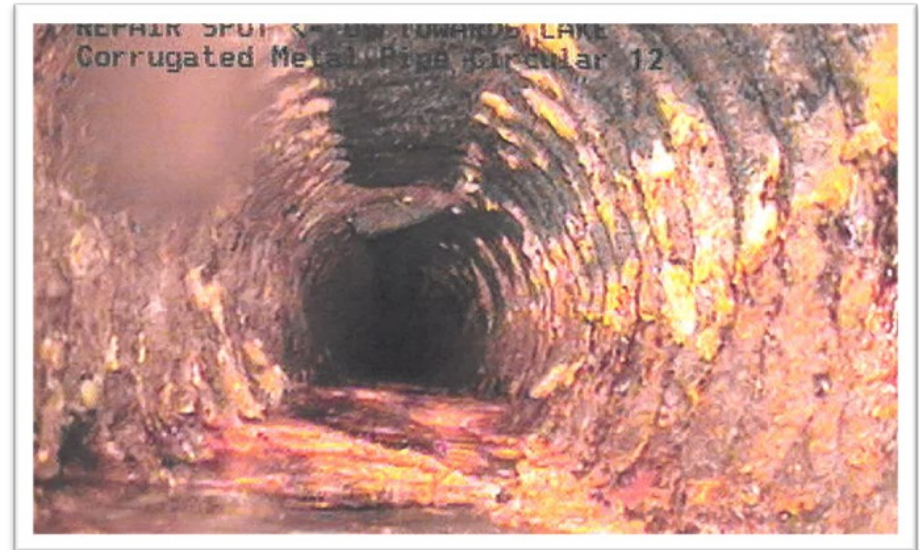
- Howell Bunger Valve



Fund **1503** (116) – SA 12" Horizontal Drain Repair

In FY 2027, the Agency will complete the repair of the 12" Horizontal Drain.

- Estimate: \$525,000
- Funding: Remaining work will be 100% SB104
- DSOD requires a full application, considered a HIGH Priority.
- Anticipated Construction: FY 2027, highly dependent on DSOD review timeline / comments.
- Dam Safety Project: Located at the toe of the dam
- Conveys sidehill drainage from reaching the SA Tunnel



Fund **1503** (116) – Nacimiento Dam Spillway Bridge Repair



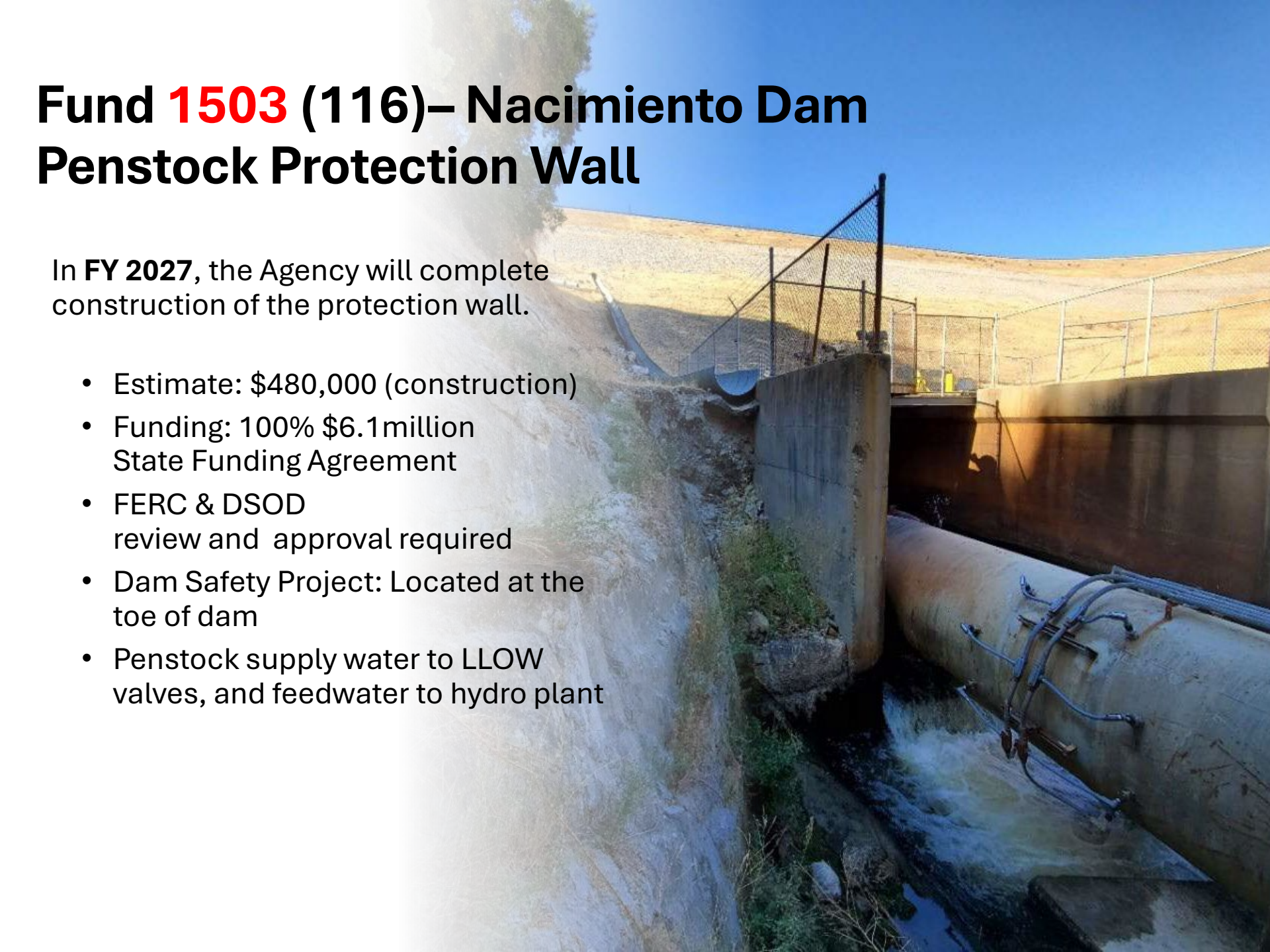
In FY 2027, the Agency will complete the repairs to the Nacimiento Dam Spillway Bridge.

- Estimate: \$500,000
- Funding: 100% **SB104**
- No DSOD or FERC review needed
- Anticipated Construction FY 2027
- Dam Safety Project:
Located on Nacimiento Lake Dr.
over spillway dam
- County Road open to the public

Fund **1503** (116)– Nacimiento Dam Penstock Protection Wall

In **FY 2027**, the Agency will complete construction of the protection wall.

- Estimate: \$480,000 (construction)
- Funding: 100% \$6.1million
State Funding Agreement
- FERC & DSOD
review and approval required
- Dam Safety Project: Located at the
toe of dam
- Penstock supply water to LLOW
valves, and feedwater to hydro plant





Fund **1503** (116)– Nacimiento Dam Plunge Pool Erosion Protection

In FY 2027, the Agency will complete the design of the spillway Plunge Pool Erosion Protection Project

- Estimate: \$500,000 (FY27)
- Funding: 100%
\$6.1 mil State Funding Agreement
- FERC & DSOD review, and approval required
- No construction date; dependent on FERC, DSOD, and funding
- Dam Safety Project: Located at the toe of the dam and end of the spillway.
- Receives water from spillway during releases operations

Fund **1508** (130) – Hydro-Electric Plant Operations

FUND 130	2027 Request
Expenses	1,733,457
Revenue	1,365,496
Employee Cost - Salaries and Benefits	343,388
GL & Pollution Insurances	96,104
Services - County Departments	62,466
Contractors/Consultants	403,000
Equipments & Vehicles	8,400
Services & Supplies - External	120,099
Fund Transfer Out	700,000
TOTAL EXPENDITURES:	1,733,457
Ad Valorem Taxes	-
Special Assessments	-
Hydroelectric Revenue	1,302,200
GRANTS - Local, State and Federal	-
Interests and Other Income	63,296
Agency & County Interfund Transfers	-
TOTAL REVENUES	1,365,496

Budgeted Activities in FY27:

- Meter calibrations
- Upgrade chatterbox
- Upgrade PLC
- Hydraulic ground upgrade
- Update electrical drawing
- Transfer to Dam Ops **1503** (116)

Fund **1508** (130)– Hydroelectric Revenue Utilization

In July **2003**, the Agency's Board of Supervisors adopted:

- Ordinance 4203 and Resolution 03-295

Ordinance 4203 declared the BOS intent to:

- ☐ Adopt separate resolutions to amend Resolution 85-292 and the Joint Powers Agreement for the Monterey County Power Authority to allocate the use of revenue generated by the Nacimiento Hydroelectric Plant following retirement of the Lease Revenue Bonds solely to MCWRA; and
- ☐ To clarify Resolution 95-250 regarding the use of hydroelectric revenue generated by the Nacimiento Hydroelectric Plant.

Resolution 03-295 provides historical context and:

- ☐ Amends Resolution 85-292 to allocate all “net revenue” including the County’s then existing 20% share, to the Agency.
- ☐ Amends Resolution 95-250 to 1) allow for “up to” \$200,000 per year to be assigned to the Castroville Seawater Intrusion Project and Salinas Valley Reclamation Project; and
- ☐ 2) assigns the remaining balance of “net revenue”, up to 100%, to the Nacimiento and San Antonio “Capital Asset Management Program”.
- ☐ The assignment is to be determined through the annual budget process.

Fund **1508** (130)– Hydroelectric Revenue Utilization

2026-27 Fiscal-year Staff Determinations:

- Nacimiento and San Antonio dams are high-hazard, multibillion dollar facilities protecting over 250,000 residents from flood, recharging groundwater in over 400,000 acres, slowing seawater intrusion in the 180/400 foot aquifer subbasin by supplying water to the Salinas River Diversion Facility, and supporting a ~\$5 billion agricultural economy;
- Zone 2C assessments cannot cover current O&M as contemplated in the 2003 Engineer's Report;
- The 2026-27 Fund **1503** (116) proposed budget:
 - Minimizes routine O&M to essentials;
 - Maximizes reliance upon state grants;
 - Has limited, readily available, alternative revenue sources;
 - Forecasted a ~\$1.36M fund balance draw and fiscal-year ending fund balance of ~\$1.4M.
- *To minimize further, adverse impact to Fund **1503** (116), staff recommends to continue the \$700k transfer from Fund **1508** (130) consistent with Resolution 03-295 to support dam safety and maintenance projects.*

Fund 1509 (131) – CSIP Proposed Activities

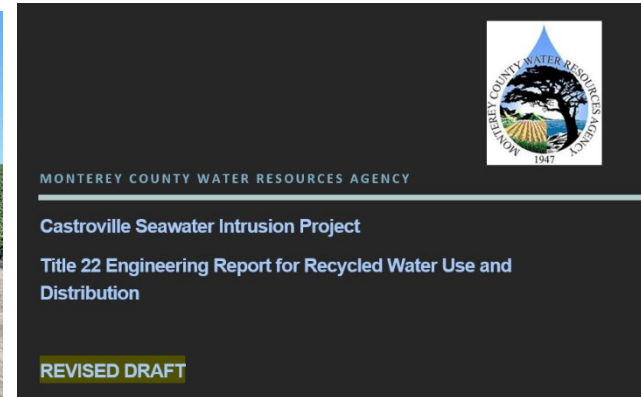
CSIP Projects- Fund 131

M1W FY26	Funded	\$2,014,132	Category
M1W Annual Budget FY27		\$1,810,617	CSIP Operations
Difference		-\$203,514	CSIP Operations

Ranking	WRA Led Projects		**Reduction made from initial proposal	Ranking	WRA Led Projects		**Reduction made from initial proposal
1	Title 22 Eng Report & Permit Migration Project	\$120,000		8	Operations Review & Revisions/ 30yr update	\$50,000	Ops Improvements
2	RW permit compliance (website development, water orders, inspection equipment, materials)	\$75,000		9	Electrical Equipment Cabinet Hazard Replacement (Well Sites)	\$40,000	Deferred Maintenance
3	CSIP Condition Assessment-Phase IIB/ MP Support	\$200,000	**	10	Flowmeter Recalibration Project (15 units)	\$50,000	Deferred Maintenance
4	Above-ground equipment locating project & repairs	\$75,000	**	11	In-field equipment Corrosion Correction (10 turnouts, 2 well sites)	\$50,000	Deferred Maintenance
5	ARV Replacement Plan (10-20 units)	\$50,000	**	12	Well Maintenance, Planning, Repairs (03R02, next well site)	\$200,000	** WMPR
6	CSIP Pond Agitators (1/3)	\$50,000		13	Cathodic Protection Maintenance and Repairs (Anode Well, rectifier repairs)	\$100,000	** Deferred Maintenance
7	Isolation Valve Repairs, miscellaneous equipment	\$75,000	**				
	WRA Total	\$1,135,000			Not Funded		
	Offset w/ M1W reduction	\$931,486		14	CMMS Development	\$125,000	Ops Improvements
				15	Electrical Upgrades Replacement (Lapis VFDs)	\$170,000	Facility CIP

Fund 1509 (131) – CSIP Proposed Activities

- Focus on corrosion corrections, repairs, pipeline asset locating, condition assessments, regulatory compliance, asset protection, etc.
- CIP's and improvements are mostly unfunded



Fund 1511 (134) – SRDF Proposed Activities

SRDF Projects- Fund 134

M1W FY26	\$1,629,796	SRDF Operations
M1W FY27	\$1,443,936	SRDF Operations
Difference	-\$185,860	

Ranking WRA Led

**Reduction made from initial proposal

1	Settlement survey	\$8,000		Regulatory (Yearly)
2	Filtration Improvement Project cont.	\$125,000	**	Deferred Maintenance
3	CABM Scour Repair Engineering and Design	\$125,000	**	Storm Damage Repair Study
4	CSIP Pond Agitators (1/3)	\$50,000		Ops Improvement
5	Operations system review and Revision/ update 16 yr	\$50,000		Ops Improvement
6	SRDF Operational needs, Wetwell cleanout, Weir torquing	\$75,000		Operations and Maintenance
7	Air compressor replacement 1	\$20,000		Maintenance

Unfunded

8	6th filter equipment	\$200,000		CIP
9	New filter bodies, lid and elbow SS	\$225,000		Deferred Maintenance
10	Cover building & gantry crane	\$200,000		CIP
11	VFD Motor control retrofit design/ implementation	\$100,000		SRDF CIP
12	SRDF Flowmeter retrofit & install	\$120,000		CIP/ Ops

WRA Total \$453,000 FY27 Request Min

Not Funded \$845,000

Fund 1511 (134) – SRDF Proposed Activities

- Focus on:
 - Filtration system repairs
 - Valve replacement
 - Corrosion management
 - Operational needs
 - Instream scour repair project design
- No CIP's or significant improvements funded



Filters are
not working
correctly

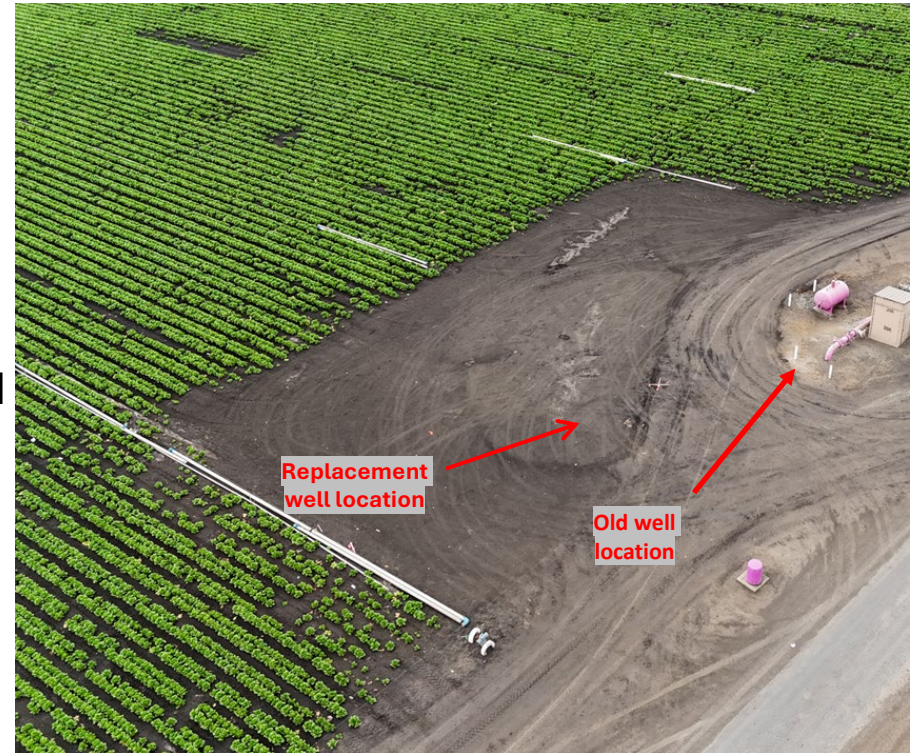
Monterey One Water FY27 Budget Request Summary

Program	O&M	Capital Projects	Total
CSIP	1,810,617		1,810,617
SVRP	4,917,307	300,000	5,217,307
SRDF	1,382,686	61,250	1,443,936
Total	8,110,610	361,250	8,471,860

Well Replacement Project & Funding Agreement

CSIP Well 11B02 Replacement

- Replacing collapsed and now destroyed well 11B01
- Initial design and project came in for low bid at \$1,542,295
- After the exploratory borehole project, updated design reduced the cost to approximately \$1.2mil
- Partially Grant funded: \$900k
- Reconnection and outfitting estimated to be an additional \$600k
- Current, estimated total project cost: \$1.8mil
- Current, estimated funding shortfall: \$900k
- CSIP Landowner Funding Agreements in the works to supply the shortfall



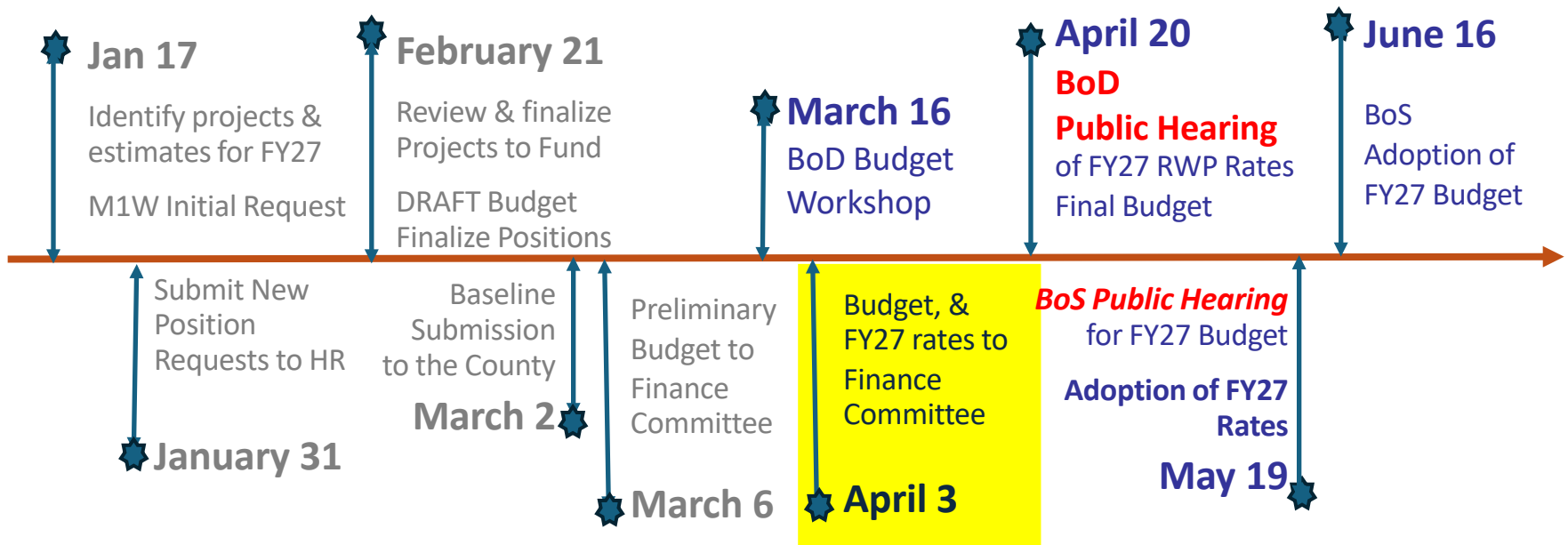
FY27 Rates :

Recommended

Water Delivery & Service Charge

WATER DELIVERY & SERVICE CHARGES		
Fiscal Year	2025-2026	2026-2027
Water Delivery Charge	\$85.24	\$100.24
Water Service Charge	\$88.57	\$113.57
Total:	\$173.81	\$213.81

FY27 Budget Schedules



MCWRA: CSIP Grower's Workshop

March 2026