TODAY'S ACTION

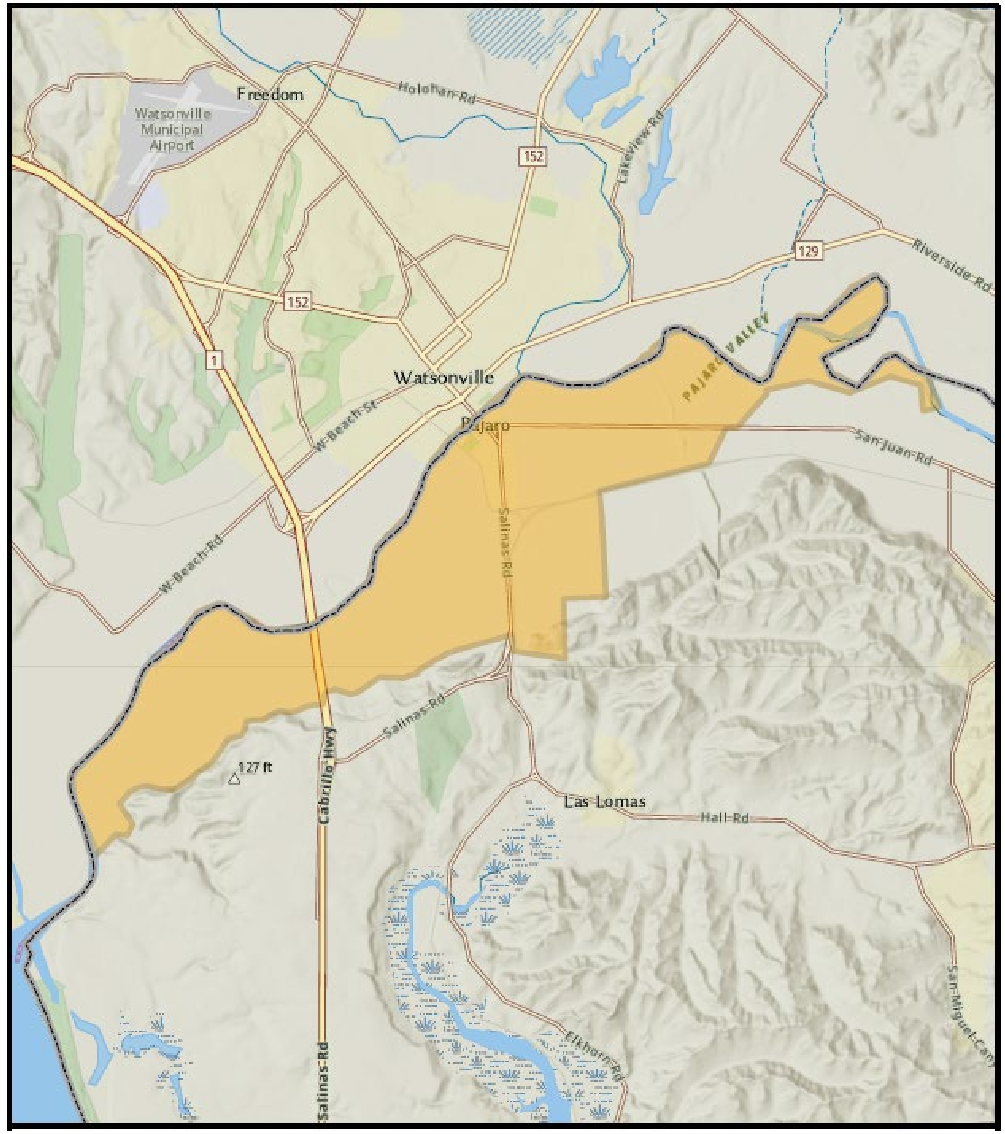
Consider recommending the Monterey County Water Resources Agency Board of Supervisors:

a. Approve and adopt the Fiscal Year 2026-27 (**FY27**) cost-of-living adjustment (**COLA**) increase of **2.5%** to the assessment charges of **Zones 1, 1A, 2B, 2C 2Y, 2Z, 8, 9, 12, and 17**; and
b. Set and hold **a public hearing on May 19, 2026, at 10:30 a.m**. to consider approving and adopting the assessment rate charges; and
c. Direct the Clerk of the Board of Supervisors to **publish a hearing notice** once a week for **two consecutive weeks prior to the date set** for the hearing.

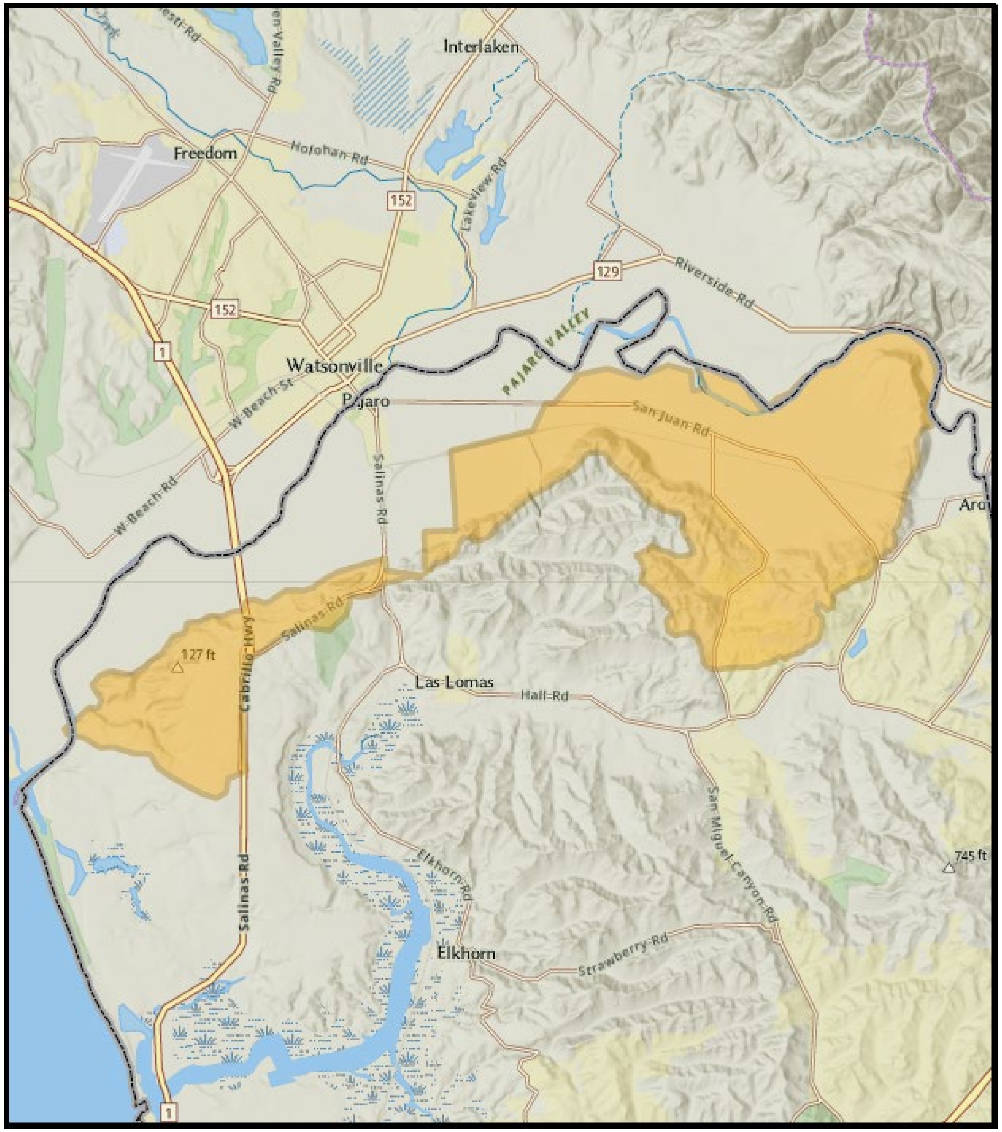
Discussion

- Ordinances Nos. **2626, 2974, 3878 and 3881**:
  - **Flood Control Benefit Assessments** in **Zones 1, 1A, 8, 9, 12, and 17** to **maintain flood protection systems** thru vegetation management and rodent control, maintaining banks and silt removal in channels, removal of debris from ditches and drainage structures and maintenance of roads, fences and canals.
  - Assessment rates be increased **annually** as a **cost-of-living adjustment** (COLA) by the Consumer Price Index (**CPI**) of **the San Francisco Bay Area**
  - On **March 11, 2026**, the U.S. Bureau of Labor Statistics released the February 2026 Consumer Price Index which increased **2.5%** from last year.

Zone 1 Boundary Pajaro



Zone 1A Boundary Pajaro



FY27 Rate : Zone 1

ZONE 1 BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	106	$ 385.31	106	$ 394.94
B	45	$ 385.31	45	$ 394.94
C	191	$ 96.35	191	$ 98.76
E	151	$ 96.35	151	$ 98.76
F	42	$ 7.83	42	$ 8.02
Total:	**535**		**535**	

A = Commercial and Industrial

B = Institutional (churches, schools, hospitals, apartments, multi-family)

C = Single Family Residence

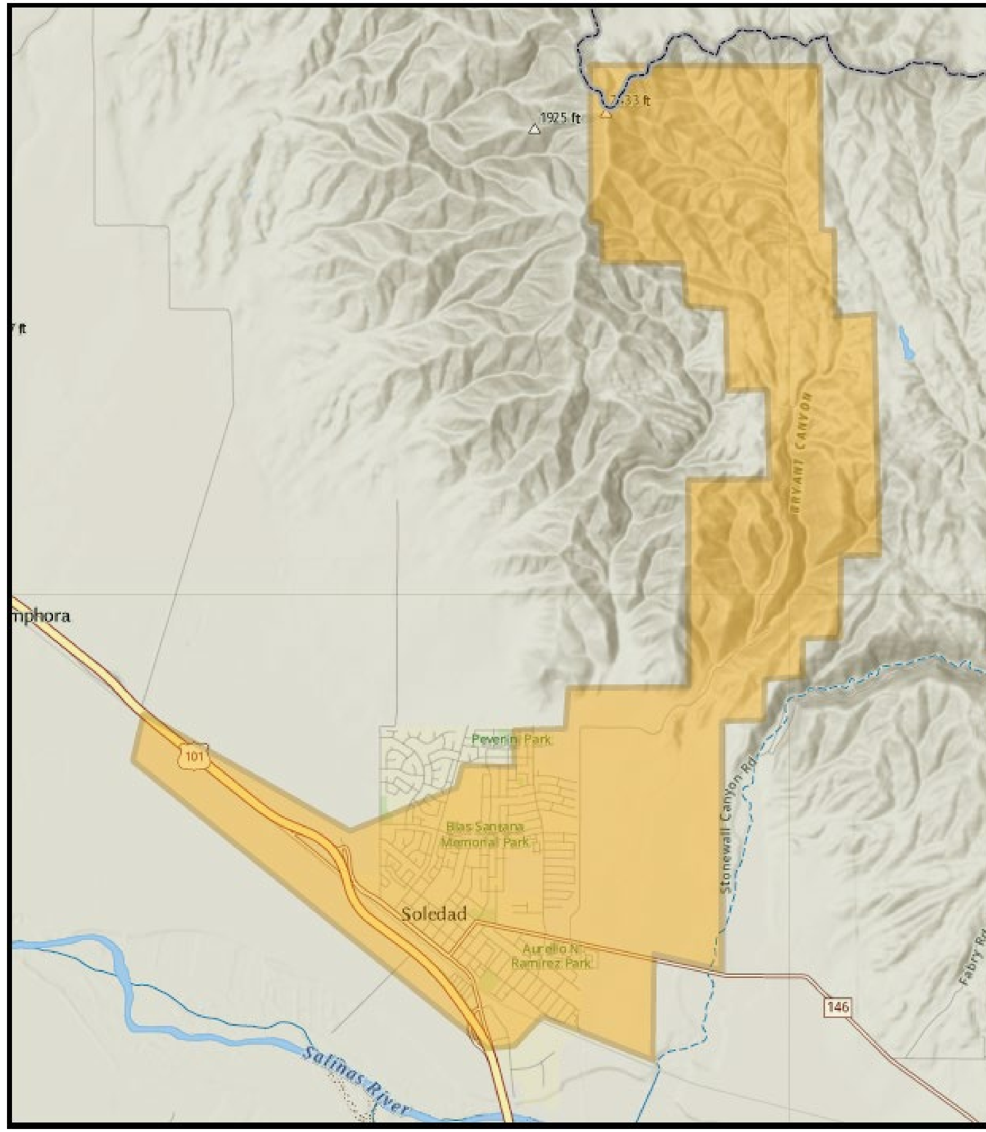
E = Vacant, Agricultural

F = Vacant, Undisturbed, Natural Site

FY27 Rate : Zone 1A

ZONE 1A BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	37	$ 188.10	37	$ 192.80
B	5	$ 188.10	5	$ 192.80
C	368	$ 47.04	368	$ 48.21
E	173	$ 47.04	173	$ 48.21
F	399	$ 3.92	399	$ 4.02
Total:	**982**		**982**	
A = Commercial and Industrial				
B = Institutional (churches, schools, hospitals, apartments, multi-family)				
C = Single Family Residence				
E = Vacant, Agricultural				
F = Vacant, Undisturbed, Natural Site				

Zone 8 Boundary: Soledad Storm Drain

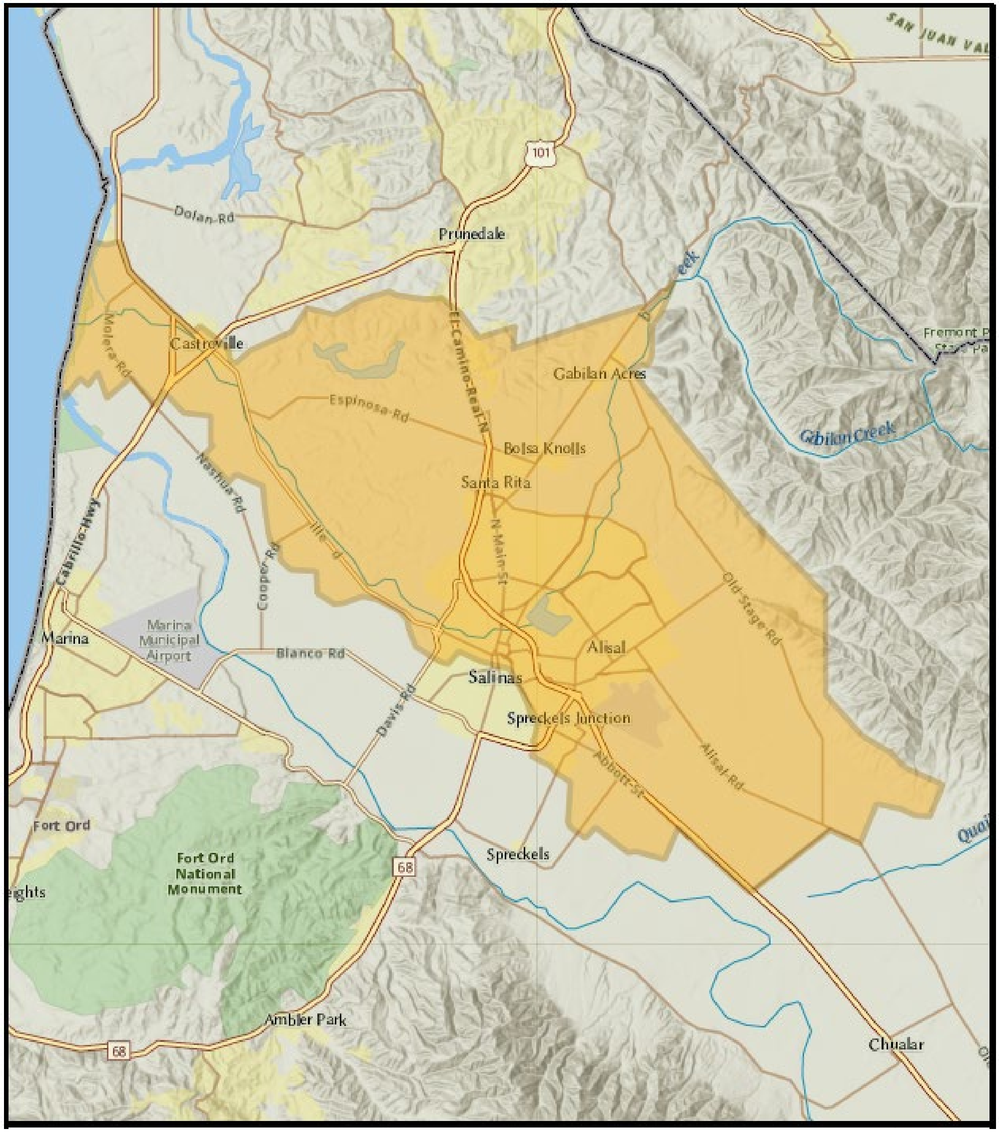


FY27 Rate : Zone 8

ZONE 8 BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	400	$ 75.66	400	$ 77.55
B	69	$ 56.75	69	$ 58.17
C	2,623	$ 9.47	2,623	$ 9.70
E	119	$ 18.95	119	$ 19.42
F	311	$ 9.47	311	$ 9.70
G	1	$ 0.94	1	$ 0.97
H	0	$ -	0	$ -
I	0	$ -	6	$ -
Total:	**3,523**		**3,529**	

A = Commercial and Industrial
B = Institutional (churches, schools, hospitals, apartments, multi-family)
C = Single Family Residence
E = Vacant, Agricultural, or open-space
F = Vacant, Undisturbed, Natural State
G = Undisturbed, natural state, grazing or vacant, slope greater than 35%
H = Wetlands and marshlands, undisturbed, periodically flooded (no charge)
I = Land receiving no charge

Zone 9 Boundary: Reclamation Ditch

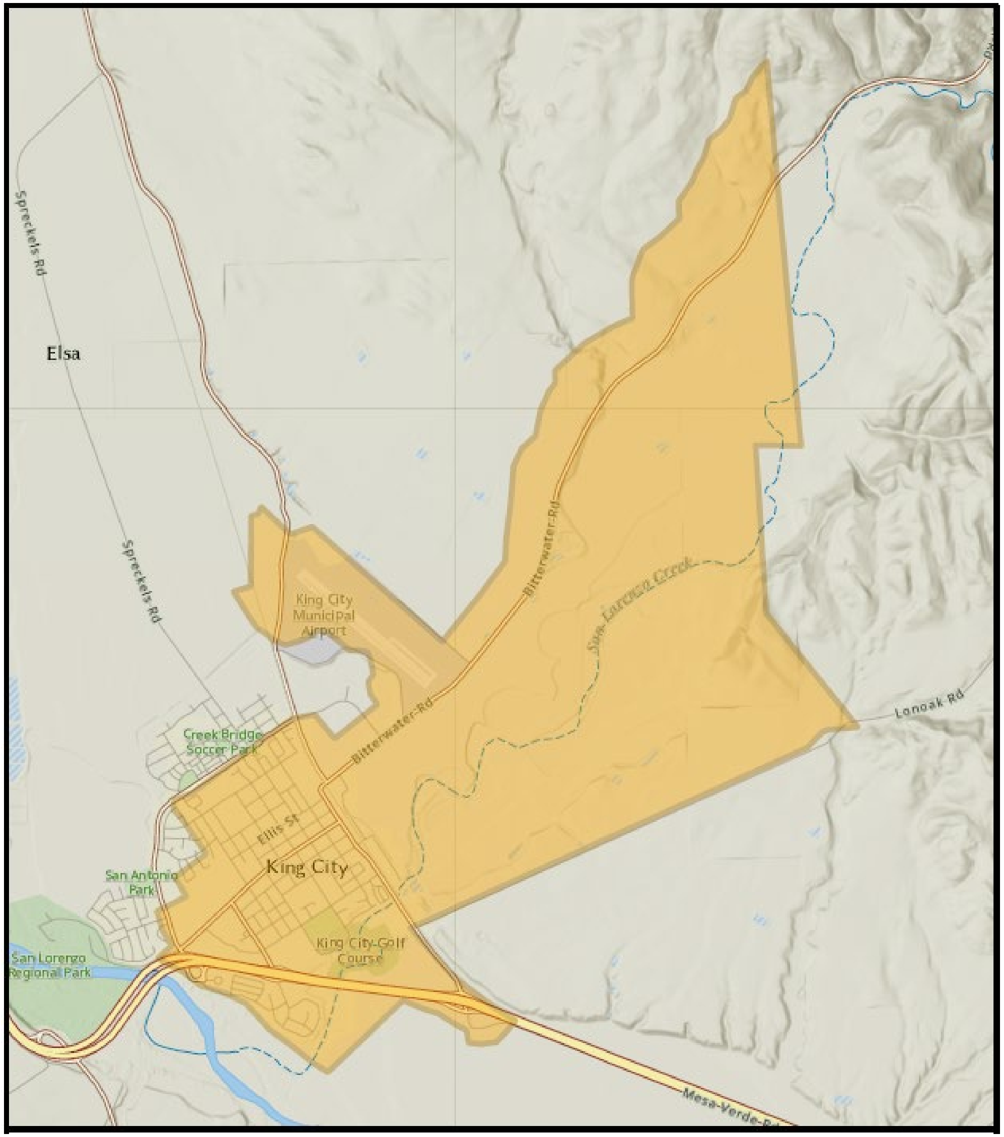


FY27 Rate : Zone 9

ZONE 9 BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	3,265	$ 80.00	3,261	$ 82.00
B	1,170	$ 60.00	1,169	$ 61.50
C	22,007	$ 10.01	22,007	$ 10.26
E	1,316	$ 20.00	1,314	$ 20.50
F	1,421	$ 10.01	1,420	$ 10.26
G	7	$ 1.00	7	$ 1.02
Total:	**29,186**		**29,178**	

A = Commercial and Industrial
B = Institutional (churches, schools, hospitals, apartments, multi-family)
C = Single Family Residence
E = Vacant, Agricultural, or open-space
F = Vacant, Undisturbed, Natural Site
G = Undisturbed, natural state, grazing or vacant, slope greater than 35%
H = Wetlands and marshlands, undisturbed, periodically flooded
I = Land receiving no charge

Zone 12 Boundary: San Lorenzo Creek

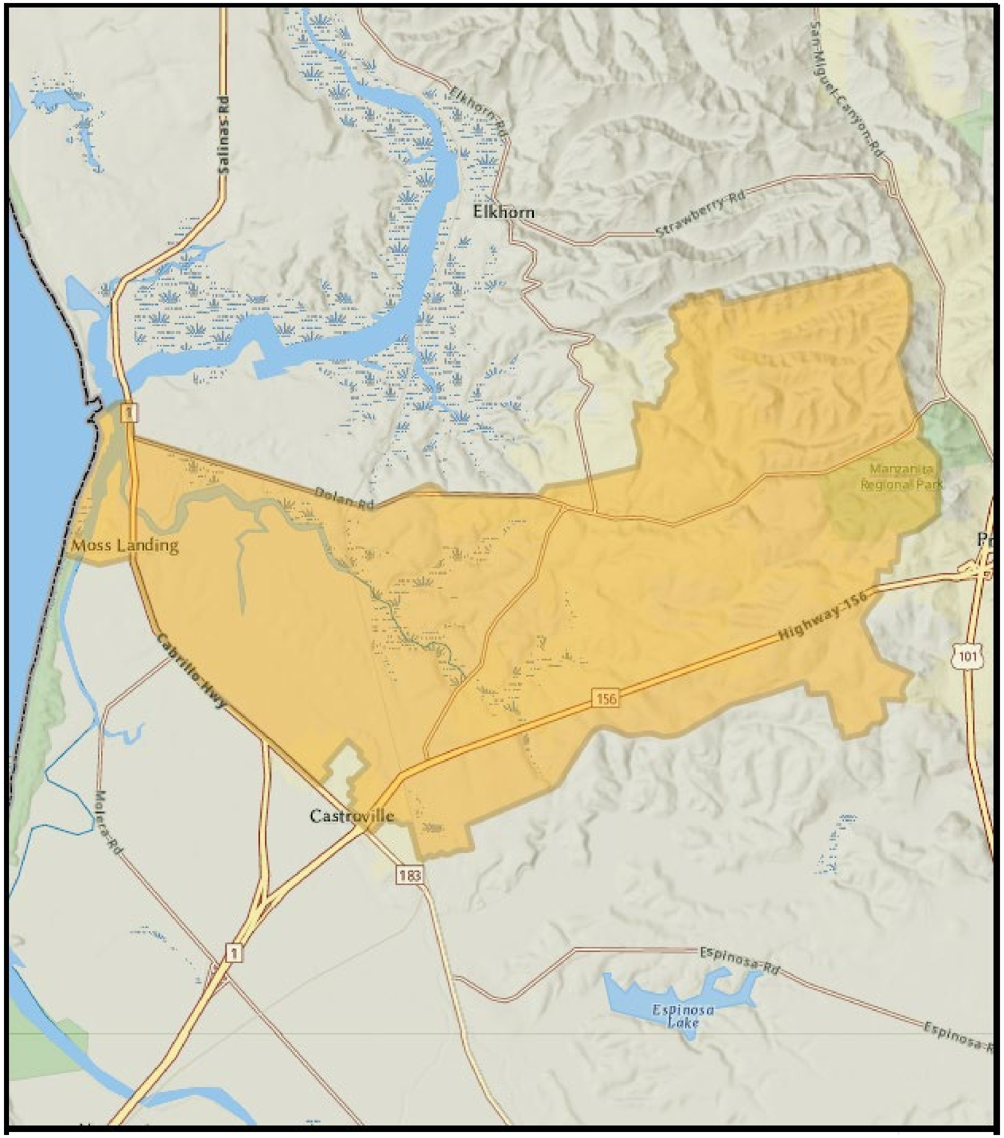


FY27 Rate : Zone 12

ZONE 12 BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	249	$ 28.43	248	$ 29.14
B	136	$ 21.33	136	$ 21.86
C	1,055	$ 3.55	1,055	$ 3.64
E	102	$ 7.11	102	$ 7.29
F	93	$ 3.55	92	$ 3.64
G	3	$ 0.37	3	$ 0.38
Total:	**1,638**		**1,636**	

A = Commercial and Industrial
B = Institutional (churches, schools, hospitals, apartments, multi-family)
C = Single Family Residence
E = Vacant, Agricultural, or open-space
F = Vacant, Undisturbed, Natural Site
G = Undisturbed, natural state, grazing or vacant, slope greater than 35%

Zone 17 Boundary: Moro Cojo



FY27 Rate : Zone 17

ZONE 17 BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	124	$ 27.42	123	$ 28.11
B	66	$ 20.56	66	$ 21.07
C	2,207	$ 27.42	2,207	$ 28.11
E	1,080	$ 13.72	1,080	$ 14.06
F	739	$ 6.86	739	$ 7.03
G	20	$ 0.37	20	$ 0.38
H	5	$ -	5	$ -
I	3	$ -	3	$ -
Total:	**4,244**		**4,243**	

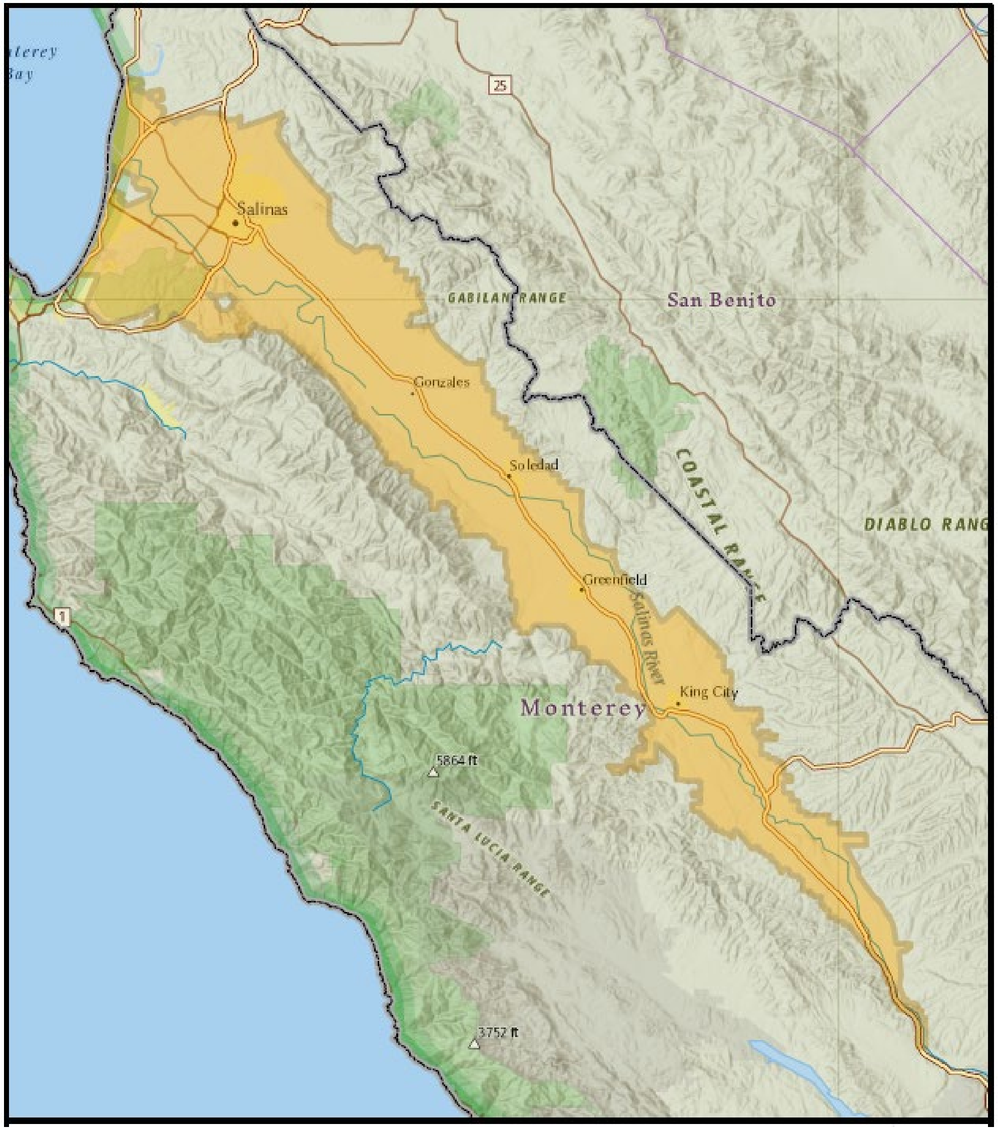
A = Commercial and Industrial
B = Institutional (churches, schools, hospitals, apartments, multi-family)
C = Single Family Residence
E = Vacant, Agricultural, or open-space
F = Vacant, Undisturbed, Natural Site
G = Undisturbed, natural state, grazing or vacant, slope greater than 35%
H = Wetlands and marshlands, undisturbed, periodically flooded
I = Land receiving no charge

Discussion

- Ordinance Nos. **3635 and 3636**:
  - **Assessments in Zones 2B, 2Y and 2Z** provide funding to operate and maintain the **CSIP** and **SVRP** as well as the funding necessary to make debt payments to the U.S. Bureau of Reclamation for the loans that funded these projects.

- Annual a cost-of-living adjustment (**COLA**) by the Consumer Price Index (**CPI)** of **the San Francisco Bay Area** measured from **March 1 of each year to March 1** of the next year is allowed by the Ordinances and the Resolution.

Zone 2Y & Z Boundary: CSIP & SVRP



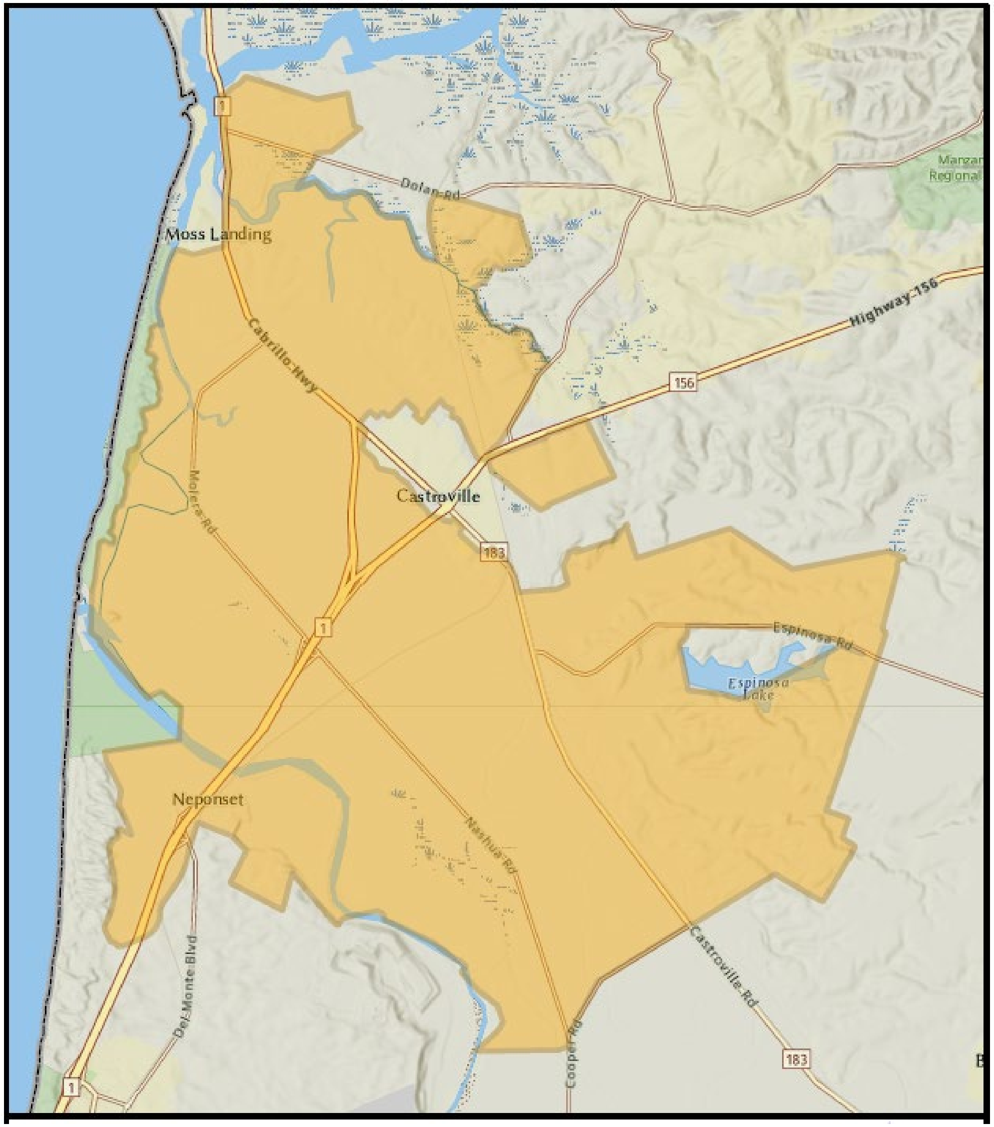
FY27 Rate : Zone 2Y (CSIP)

ZONE 2Y BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	52,370	$ 4.20	52,361	$ 4.31
B	4,641	$ 36.79	4,630	$ 37.71
C	3,013	$ 0.45	3,005	$ 0.46
D	266	$ -	265	$ -
H	1,111	$ 1.82	1,108	$ 1.87
Total:	**61,366**		**61,369**	
A = Irrigated Agricultural (North Valley), Residential (1-4 units)				
B = Industrial, Apartments (over 4 units), Commercial, Institutional				
C = Dry Farm, Grazing, Vacant				
D = River Channels and Lands Subject to Frequent Flooding				
H = Irrigated Agricultural (South Valley)				

FY27 Rate : Zone 2Z (SVRP)

ZONE 2Y BENEFIT ASSESSMENTS				
Fiscal Year	2025-2026		2026-2027	
Factor	Parcel Count	Charge Per Acre	Parcel Count	Charge Per Acre
A	52,370	$ 4.20	52,361	$ 4.31
B	4,641	$ 36.79	4,630	$ 37.71
C	3,013	$ 0.45	3,005	$ 0.46
D	266	$ -	265	$ -
H	1,111	$ 1.82	1,108	$ 1.87
Total:	**61,366**		**61,369**	
A = Irrigated Agricultural (North Valley), Residential (1-4 units)				
B = Industrial, Apartments (over 4 units), Commercial, Institutional				
C = Dry Farm, Grazing, Vacant				
D = River Channels and Lands Subject to Frequent Flooding				
H = Irrigated Agricultural (South Valley)				

Zone 2B Boundary: CSIP & SVRP



FY27 Rate : Zone 2B

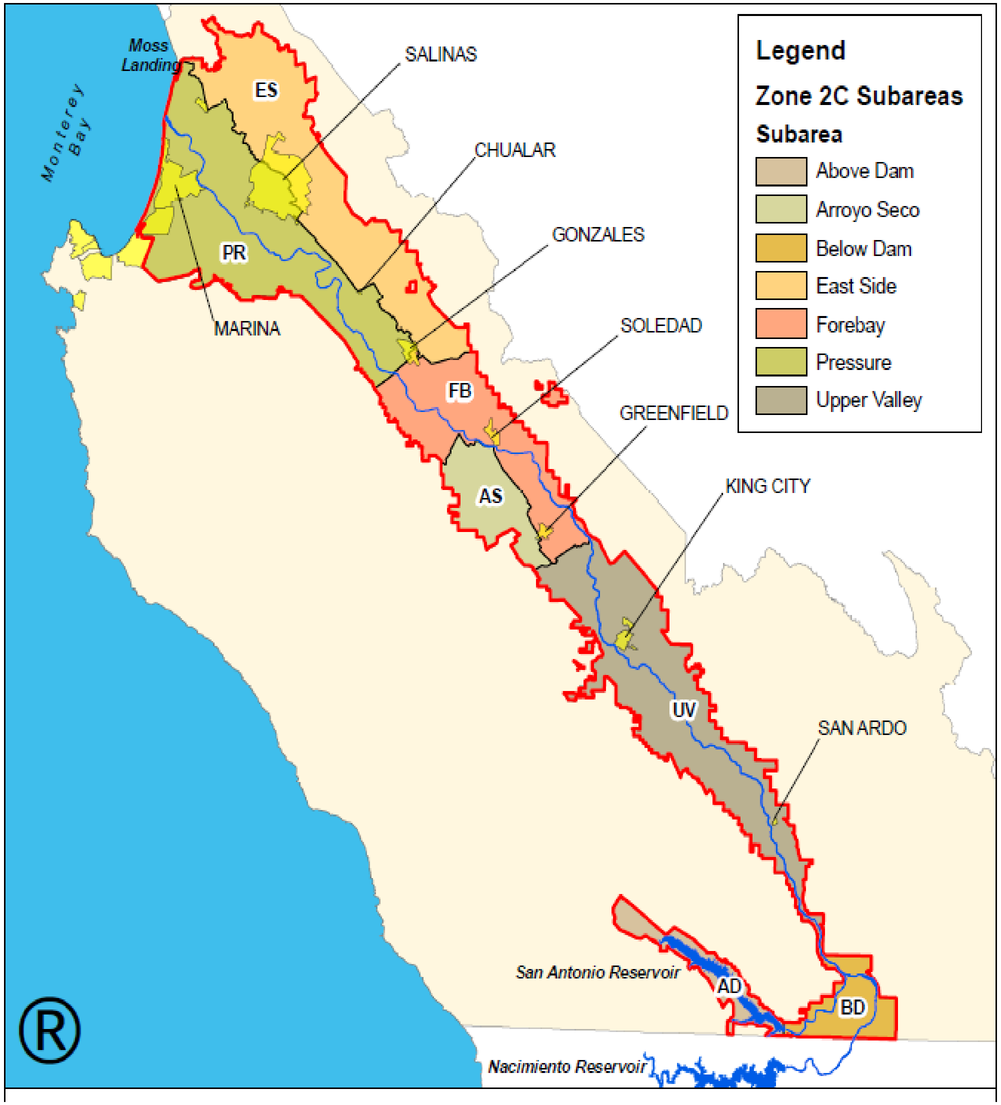
ZONE 2B BENEFIT ASSESSMENTS				
Fiscal Year	**2025-2026**		**2026-2027**	
Factor	**Parcel Count**	**Charge Per Acre**	**Parcel Count**	**Charge Per Acre**
A	194	$ 365.04	191	$ 374.17
B	0	$ -	0	$ -
C	0	$ -	36	$ -
D	0	$ -	0	$ -
H	0	$ -	0	$ -
Total:	**194**		**227**	
A = Net Irrigated Agricultural (vicinity of Castroville)				
B = Industrial, Apartments (over 4 units), Commercial, Institutional				
C = Dry Farm, Grazing, Vacant				
D = River Channels and Lands Subject to Frequent Flooding				
H = Irrigated Agricultural (South Valley)				

Discussion

- Ordinance No. **4203** :
  - Assessments in **Zone 2C** for the Salinas Valley Water Project (SVWP) to fund **Operations and Maintenance at Nacimiento Dam and San Antonio Dam**.
  - Assessment rates be increased annually as a cost-of-living Adjustment (**COLA)** by the Consumer Price Index (**CPI)** of the **San Francisco Bay Area** measured from **March 1 of each year to March 1** of the next year.
  - COLA adjustments be applied to the Operation and Maintenance and the Administration components **only.**

- On **March 11, 2026**, the U.S. Bureau of Labor Statistics released the February 2026 Consumer Price Index which increased **2.5%** from last year.

Zone 2C Boundary:



FY27 Rate : Zone 2C
Operation & Maintenance

ZONE 2C BENEFIT ASSESSMENTS							
O&M of Nacimiento and San Antonio Dams							
Fiscal Year	**2026-2027**						
Subarea	**Ext. Upper Valley Above Dam**	**Ext. Upper Valley Below Dam**	**Upper Valley**	**Forebay**	**Pressure**	**East Side**	**Arroyo Seco**
Factor	**Charge Per Acre**						
A	12.91	13.87	12.46	12.94	27.32	14.83	4.76
B	12.91	13.86	12.46	12.94	27.32	14.83	4.76
C	1.25	1.40	1.23	1.25	2.67	1.50	0.47
D	0.13	0.17	0.13	0.13	0.25	0.17	0.05
I	-	-	-	-	-	-	-
A = Irrigated Agriculture							
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land							
C = Dry Farming, Grazing, Vacant Lot							
D = River Channels and Lands with Frequent Flooding							
I = Land receiving no charge							

FY27 Rate : Zone 2C
Administration

ZONE 2C BENEFIT ASSESSMENTS							
Administration							
Fiscal Year	2026-2027						
Subarea	Ext. Upper Valley Above Dam	Ext. Upper Valley Below Dam	Upper Valley	Forebay	Pressure	East Side	Arroyo Seco
Factor	Charge Per Acre						
A	1.90	1.90	1.90	1.90	1.90	1.90	1.90
B	1.90	1.90	1.90	1.90	1.90	1.90	1.90
C	0.15	0.15	0.15	0.15	0.15	0.15	0.15
D	-	-	-	-	-	-	-
I	-	-	-	-	-	-	-

A = Irrigated Agriculture
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land
C = Dry Farming, Grazing, Vacant Lot
D = River Channels and Lands with Frequent Flooding
I = Land receiving no charge

FY27 Rate : Zone 2C
Spillway Modification

ZONE 2C BENEFIT ASSESSMENTS							
Nacimiento Spillway Modification (NO COLA)							
Fiscal Year	**2026-2027**						
Subarea	**Ext. Upper Valley Above Dam**	**Ext. Upper Valley Below Dam**	**Upper Valley**	**Forebay**	**Pressure**	**East Side**	**Arroyo Seco**
Factor	**Charge Per Acre**						
A	1.82	1.28	1.04	1.14	2.86	2.18	0.46
B	1.82	1.28	1.04	1.14	2.86	2.18	0.46
C	0.18	0.12	0.10	0.10	0.28	0.22	0.04
D	0.02	-	-	-	0.02	0.02	-
A = Irrigated Agriculture							
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land							
C = Dry Farming, Grazing, Vacant Lot							
D = River Channels and Lands with Frequent Flooding							

FY27 Rate : Zone 2C
Diversion Facility Construction

ZONE 2C BENEFIT ASSESSMENTS							
Diversion Facility Construction (NO COLA)							
Fiscal Year	2026-2027						
Subarea	Ext. Upper Valley Above Dam	Ext. Upper Valley Below Dam	Upper Valley	Forebay	Pressure	East Side	Arroyo Seco
Factor	Charge Per Acre						
A	-	-	-	-	6.18	5.14	-
B	-	-	-	-	6.18	5.14	-
C	-	-	-	-	0.62	0.52	-
D	-	-	-	-	0.06	0.04	-
A = Irrigated Agriculture							
B = Residential (1-4 units), Apartments (over 4 units), Commercial, Institutional Land							
C = Dry Farming, Grazing, Vacant Lot							
D = River Channels and Lands with Frequent Flooding							

FY27 Recommended Budget

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)	301,875	730,946	536,188	(194,758)	107,117
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	7,193,323	6,653,731	(539,592)	929,153
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)**	**20,101,834**	**48,286,681**	**43,152,545**	**(5,134,136)**	**14,967,698**

TODAY'S ACTION

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

a. Approve and adopt the Fiscal Year 2026-27 (**FY27**) cost-of-living adjustment (**COLA**) increase of **2.5%** to the assessment charges of **Zones 1, 1A, 2B, 2C 2Y, 2Z, 8, 9, 12, and 17**; and
b. Set and hold **a public hearing on May 19, 2026, at 10:30 a.m**. to consider approving and adopting the assessment rate charges; and
c. Direct the Clerk of the Board of Supervisors to **publish a hearing notice** once a week for **two consecutive weeks prior to the date set** for the hearing.