

*Before the Board of Supervisors of the Monterey County Water Resources Agency  
County of Monterey, State Of California*

Resolution No. 03-295

Resolution of the Board of Supervisors of Monterey County Amending Resolution No. 85-292, )  
the Joint Exercise of Powers Agreement attached thereto, and Resolution No. 95-250 Based )  
Upon the Recommended Strategy of the Cost Allocation Committee for funding the Salinas )  
Valley Water Project and operation of Nacimiento and San Antonio Dams and Reservoirs )

RECITALS

WHEREAS:

The Legislature created the Monterey County Water Resources Agency ("MCWRA") through the Monterey County Water Resources Agency Act to address the problem of seawater intrusion, provide flood protection and recreational benefits, and protect and augment ground and surface water supplies and water quality within the Salinas Valley; and

MCWRA developed the Salinas Valley Water Project ("SVWP") based on extensive stakeholder, public, regulatory, and technical input over last decade to increase flood protection, address seawater intrusion, and assure a sufficient quantity and quality of water supplies to meet agricultural and urban needs within the Salinas Valley through the year 2030; and

In 2001 the Monterey County Water Resources Agency ("MCWRA") convened the Salinas Valley Water Project Cost Allocation Committee ("CAC") for the purpose of providing SVWP beneficiaries the opportunity to contribute to development of the SVWP and provide direction for meeting future costs associated with MCWRA water supply projects including the operation of Nacimiento and San Antonio reservoirs; and

The nineteen CAC members, representing the Salinas Valley Groundwater Basin, sub-areas, and urban and agricultural interests, met 10 times during the period of October 2001 to October 2002; and

As a result of those meetings the CAC developed and submitted the "Salinas Valley Water Project Cost Allocation Committee Recommended Strategy" ("Recommended Strategy") which clarified the methodology for the levy and implementation of the assessments proposed to fund the SVWP and provided direction for meeting future costs associated with MCWRA water supply projects including the operation of Nacimiento and San Antonio reservoirs; and

On October 28, 2002 the MCWRA Board of Directors received and recommended the CAC's Recommended Strategy; and

In February and March 2003 landowners whose properties will specially benefit from the SVWP approved the levy of assessments for the SVWP through an assessment ballot proceeding

held in compliance with article XIII D of the California Constitution and implementing legislation, Stats. 1997, ch. 38 (S.B. 919, Rainey) ("Proposition 218"); and

Based on the foregoing the Board of Supervisors intends to confirm through a separate ordinance its approval of the SVWP, create Zone 2C as the zone of benefit for the SVWP and levy a special assessment within Zone 2C to fund the SVWP; and

Based on the foregoing, the Board of Supervisors intends by this resolution to implement those portions of the CAC's Recommended Strategy that pertain to the allocation and use of net revenue from the Nacimiento Hydroelectric Plant ("Hydroelectric Plant"); and

Resolution No. 95-250 currently assigns MCWRA's share of net revenue from the Hydroelectric Project to the Castroville Seawater Intrusion Project ("CSIP") and the Salinas Valley Recycling Projects ("SVRP"); and

The Recommended Strategy includes amendment of Resolution 95-250 to provide that, after retirement of the Lease Revenue Bonds used for construction of the Hydroelectric Plant, all revenue generated by the sale of electricity produced by the Hydroelectric Plant, including Monterey County's 20% share of net revenue, should be allocated to MCWRA for use by MCWRA; and

The Recommended Strategy specifically provides that up to \$200,000 per year of the total net revenue from the sale of electricity produced by the Hydroelectric Plant should be assigned to the CSIP/SVRP and the balance of surplus revenue will be assigned to MCWRA's Capital Asset Management Plan for Nacimiento and San Antonio Dams and Reservoirs; and

It is currently anticipated that the Lease Revenue Bonds used for construction of the Hydroelectric Plant will be retired in 2005; and

Also as part of the Recommended Strategy the CAC recommended that Resolution 85-292 and the Joint Exercise of Powers Agreement between Monterey County and MCWRA (as successor to the Monterey County Flood Control and Water Conservation District) be amended to provide that 100% of the net revenue generated from the sale of electricity from the Hydroelectric Plant, including the County's existing 20% share, shall be allocated to MCWRA for use by MCWRA.

### RESOLUTIONS

NOW, THEREFORE, BE IT RESOLVED that Resolutions 85-292 and 95-250 and the Joint Exercise of Powers Agreement between Monterey County and MCWRA (as successor to the Monterey County Flood Control and Water Conservation District) are amended to provide that after the Lease Revenue Bonds used for construction of the Hydroelectric Plant are retired, all net revenue generated by the sale of electricity produced by the Hydroelectric Plant, including the County's existing 20% share, shall be allocated to MCWRA for use by MCWRA.

BE IT FURTHER RESOLVED that up to \$200,000 per year of the above revenue shall be assigned to the CSIP and/or SVRP. The allocation of revenue as between either or both of the CSIP

or SVRP shall be determined during the MCWRA's annual budgeting process. The balance of revenue shall be assigned to MCWRA's Capital Asset Management Program for Nacimiento and San Antonio Dams and Reservoirs.

On motion of Supervisor Lindley, seconded by Supervisor Potter, the foregoing Resolution is adopted this 22<sup>nd</sup> day of July, 2003 by the following vote:

AYES: Supervisors Armenta, Calcagno, Lindley, Johnsen, and Potter

NOES: None

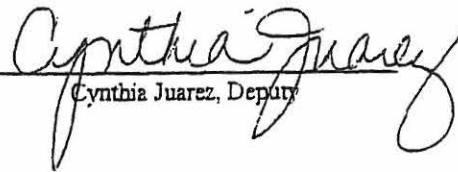
ABSENT: None

I, SALLY R. REED, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof at page - of Minute Book 71, on July 22, 2003.

Dated: July 29, 2003

Sally R. Reed, Clerk of the Board of Supervisors,  
County of Monterey, State of California

By

  
Cynthia Juarez, Deputy