

County of Monterey

Government Center - Board Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901



Meeting Agenda - Final

Tuesday, June 4, 2024

10:30 AM

Join via Zoom at <https://montereycty.zoom.us/j/224397747> - English or in person
at the address listed above or at <https://montereycty.zoom.us/j/95465517952> -
Español o personalmente en la dirección indicada anteriormente

Pajaro County Sanitation District

Chair Director Glenn Church - District 2

Vice Chair Director Chris Lopez - District 3

Director Wendy Root Askew - District 4

Director Mary L. Adams - District 5

Director Luis A. Alejo - District 1

Participation in meetings

While the Board chambers remain open, members of the public may participate in Board meetings in 2 ways:

1. You may attend the meeting in person; or,
2. You may observe the live stream of the Board of Supervisors meetings at <https://monterey.legistar.com/Calendar.aspx>, <http://www.mgtvonline.com/>, www.youtube.com/c/MontereyCountyTV or <https://www.facebook.com/MontereyCoInfo/>

If you choose not to attend the Board of Supervisors meeting but desire to make general public comment, or comment on a specific item on the agenda, you may do so in 2 ways:

a. submit your comment via email by 5:00 p.m. on the Monday prior to the Board meeting. Please submit your comment to the Clerk of the Board at cob@co.monterey.ca.us. In an effort to assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the meeting body (i.e. Board of Supervisors Agenda) and item number (i.e. Item No. 10). Your comment will be placed into the record at the Board meeting.

b. you may participate through ZOOM. For ZOOM participation please join by computer audio at: <https://montereycty.zoom.us/j/224397747>

OR to participate by phone call any of these numbers below:

- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 312 626 6799 US (Chicago)
- +1 929 205 6099 US (New York)
- +1 253 215 8782 US
- +1 301 715 8592 US

Enter this Meeting ID number: 224397747 when prompted. Please note there is no Participant Code, you will just hit # again after the recording prompts you.

You will be placed in the meeting as an attendee; when you are ready to make a public comment if joined by computer audio please Raise your Hand; and by phone please push *9 on your keypad.

Participación en reuniones

Mientras las cámaras de la Junta permanezcan abiertas, los miembros del público pueden participar en las reuniones de la Junta de 2 maneras:

1. Podrá asistir personalmente a la reunión; o,
2. Puede observar la transmisión en vivo de las reuniones de la Junta de Supervisores en <https://monterey.legistar.com/Calendar.aspx>, <http://www.mgtvonline.com/>, www.youtube.com/c/MontereyCountyTV o <https://www.facebook.com/MontereyCoInfo/>

Si elige no asistir a la reunión de la Junta de Supervisores pero desea hacer comentarios del público en general o comentar un tema específico de la agenda, puede hacerlo de 2 maneras:

a. envíe su comentario por correo electrónico antes de las 5:00 p.m. el lunes anterior a la reunión de la Junta. Envíe su comentario al Secretario de la Junta a cob@co.monterey.ca.us. En un esfuerzo por ayudar al secretario a identificar el tema de la agenda relacionado con su comentario público, indique en la línea de asunto el cuerpo de la reunión (es decir, la agenda de la Junta de Supervisores) y el número de artículo (es decir, el artículo n.º 10). Su comentario se colocará en el registro en la reunión de la Junta.

b. puedes participar a través de ZOOM. Para participar en ZOOM, únase por audio de computadora en: <https://montereycty.zoom.us/j/224397747>

O para participar por teléfono llame a cualquiera de estos números a continuación:

- +1 669 900 6833 EE. UU. (San José)
- +1 346 248 7799 EE. UU. (Houston)
- +1 312 626 6799 EE. UU. (Chicago)
- +1 929 205 6099 EE. UU. (Nueva York)
- +1 253 215 8782 EE. UU.
- +1 301 715 8592 EE. UU.

Ingrese este número de ID de reunión: 224397747 cuando se le solicite. Tenga en cuenta que no hay un código de participante, simplemente presione # nuevamente después de que la grabación lo solicite.

Se le colocará en la reunión como asistente; cuando esté listo para hacer un comentario público si se une al audio de la computadora, levante la mano; y por teléfono, presione *9 en su teclado.

NOTE: All agenda titles related to numbered agenda items are live web links. Click on the title to be directed to the corresponding Board Report.

PUBLIC COMMENTS: Members of the public may address comments to the Board concerning each agenda item. The timing of public comment shall be at the discretion of the Chair.

10:30 A.M. - Call to Order

Roll Call

Additions and Corrections by Clerk

The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

General Public Comments

This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board of Supervisors. Board members may respond briefly to the statement made or questions posed. They may ask a question for clarification; make a referral to staff for factual information or request staff to report back to the Board at a future meeting.

Consent Calendar

1. Acting as the Board of Directors of the Pajaro County Sanitation District

Introduce, waive reading, and set a public hearing for July 9, 2024, at 10:30 a.m. as the date and time to consider adoption of an ordinance to amend Section 16 of Pajaro County Sanitation District (PCSD) Ordinance No. 05054 to provide for rate increases for wastewater sewer service rates.

Attachments: [Board Report](#)
 [Attachment A - PCSD Ordinance Rate Increase](#)
 [Attachment B - PCSD Location Map](#)

Adjournment



County of Monterey

Item No.1

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: ORD 24-017

June 04, 2024

Introduced: 5/23/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Ordinance

Acting as the Board of Directors of the Pajaro County Sanitation District

Introduce, waive reading, and set a public hearing for July 9, 2024, at 10:30 a.m. as the date and time to consider adoption of an ordinance to amend Section 16 of Pajaro County Sanitation District (PCSD) Ordinance No. 05054 to provide for rate increases for wastewater sewer service rates.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District (PCSD), introduce, waive reading, and set a public hearing for July 9, 2024, at 10:30 a.m. as the date and time to consider adoption of an ordinance to amend Section 16 of PCSD Ordinance No. 05054 to provide for rate increases for wastewater sewer service rates.

SUMMARY/DISCUSSION:

The PCSD wastewater collection system (System) is in the unincorporated northern area of the County of Monterey. The System serves the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. It includes approximately 16.5 miles of gravity sewer pipe, six pump stations, and approximately 2.4 miles of force sewer main. There are approximately 1,047 sewer connections and 1,768 billing units. The PCSD System is a wastewater collection system only. Collected sewage is pumped to the City of Watsonville wastewater treatment plant for treatment.

On May 21, 2024, acting as the Board of Directors of the PCSD (Board), the Board conducted a Proposition 218 Protest Hearing on the then proposed rate increase. A minimum 45-day notice of the Protest Hearing was provided to property owners within the jurisdictional boundaries of the PCSD. Per the Proposition 218 Majority Protest process, the then proposed new rate structure would not have been implemented if, at the conclusion of the Protest Hearing on May 21, 2024, a majority (50% plus one [1]) of written protests had been received. A total of three (3) written protests were received by the Clerk of the Board and Public Works, Facilities, and Parks (PWWP) Special Districts staff, prior to the Protest Hearing. Three (3) verbal protests were presented during the Protest Hearing.

Because there was less than a 51% no vote against the then proposed rate increases, the protest failed. If there had been a 51% no vote by property owners against the then proposed rate increases, the rate increases would not have been adopted by the Board. Following the failed protest, the Board adopted the then proposed rate increases to the wastewater service rates for the PCSD (Attachment A). Additionally, following the failed protest, the Board approved a

General Fund subsidy in the amount of \$1,409,300 to keep rates consistent with rates for wastewaters collection systems located within surrounding communities in the City of Watsonville and the unincorporated area of the County of Santa Cruz for which collected sewage is pumped to the City of Watsonville wastewater treatment plant for treatment. The proposed amendment to Section 16 of PCSD Ordinance No. 05054 is to memorialize the rate increases which were approved by the Board, acting as the Board of Directors of the PCSD, on May 21, 2024. The wastewater service rates for the PCSD are set forth in Attachment A. The proposed ordinance, which memorializes the Board approved rates, will be set for adoption on July 9, 2024.

FINANCING:

The plan to increase wastewater services rates which was supported by the Board acting as the Board of Directors of the PCSD on March 26, 2024, includes a General Fund loan forgiveness of \$1,941,661 and General Fund subsidies to the PCSD for the foreseeable future to keep rates consistent with surrounding communities. Over the next five years, the General Fund subsidies are estimated to be \$1,409,300 (FY 2024-25), \$1,357,350 (FY 2025-26), \$1,073,300 (FY 2026-27), \$954,400 (FY 2027-28) and \$1,183,400 (FY 2028-29). The General Fund subsidy, in the amount of \$1,409,300 was approved by the Board following the failed protest on May 21, 2024.

The FY 2024-25 Recommended Budget does not include the necessary subsidy of \$1,409,300 and would require the Board of Supervisors to identify a General Fund funding source. Potential funding sources for the Board’s consideration include General Fund Unassigned Fund Balance and Contingencies.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the following Board of Supervisors Strategic Initiatives by providing the funds necessary to maintain the PCSD infrastructure and thereby enhance public safety by minimizing sewer overflows.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: J. Erich Rauber, PE, GE, Senior Civil Engineer, (831) 755-5855
Reviewed by: Enrique Saavedra, PE, Chief of Public Works
Reviewed by: Mary Grace Perry, Deputy County Counsel
Reviewed by: Jessica Cordiero-Martinez, Finance Manager III
Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities & Parks

Attachments:
Attachment A - Ordinance
Attachment B - Location Map



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FINANCING:

The plan to increase wastewater services rates which was supported by the Board acting as the Board of Directors of the PCSD on March 26, 2024, includes a General Fund loan forgiveness of \$1,941,661 and General Fund subsidies to the PCSD for the foreseeable future to keep rates consistent with surrounding communities. Over the next five years, the General Fund subsidies are estimated to be \$1,409,300 (FY 2024-25), \$1,357,350 (FY 2025-26), \$1,073,300 (FY 2026-27), \$954,400 (FY 2027-28) and \$1,183,400 (FY 2028-29). The General Fund subsidy, in the amount of \$1,409,300 was approved by the Board following the failed protest on May 21, 2024.

The FY 2024-25 Recommended Budget does not include the necessary subsidy of \$1,409,300 and would require the Board of Supervisors to identify a General Fund funding source. Potential funding sources for the Board’s consideration include General Fund Unassigned Fund Balance and Contingencies.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the following Board of Supervisors Strategic Initiatives by providing the funds necessary to maintain the PCSD infrastructure and thereby enhance public safety by minimizing sewer overflows.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: J. Erich Rauber, PE, GE, Senior Civil Engineer, (831) 755-5855

Reviewed by: Enrique Saavedra, PE, Chief of Public Works

Reviewed by: Mary Grace Perry, Deputy County Counsel

Reviewed by: Jessica Cordiero-Martinez, Finance Manager III

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities & Parks

DocuSigned by:
Randell Ishii
5/28/2024 | 3:59 PM PDT

Attachments:

- Attachment A - Ordinance
- Attachment B - Location Map

Attachment A

PAJARO COUNTY SANITATION DISTRICT
ORDINANCE NO. _____

**AN ORDINANCE OF THE PAJARO COUNTY SANITATION DISTRICT
AMENDING SECTION 16 OF ORDINANCE NUMBER 05054 TO PROVIDE FOR
RATE INCREASES FOR SEWER SERVICES**

County Counsel Summary

This Ordinance amends Section 16 of Ordinance Number 05054 of the Pajaro County Sanitation District to provide for rate increases for sewer services pursuant to California Health and Safety Code section 5470 et seq. in order to collect service charges to cover the costs of providing wastewater collection services to customers.

The Board of Supervisors of the County of Monterey, acting as the Board of Directors of the Pajaro County Sanitation District ordains as follows:

SECTION 1. FINDINGS AND DECLARATIONS.

A. The Board of Supervisors of the County of Monterey, acting as the Board of Directors of the Pajaro County Sanitation District (“PCSD”), has determined that increases in the rates the PCSD charges its customers is necessary to cover the costs of providing wastewater collection services to its customers.

B. The area to which this Ordinance applies is located in the northern area of the unincorporated area of the County of Monterey and serves the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa and Pajaro, which area is a portion of and entirely within the County of Monterey and is within the territory in which the County is authorized to exercise the powers conferred on it by Government Code section 25825.

C. Wastewater service rates for the PCSD have not changed since 2007, and costs to operate and maintain the system have increased significantly since that time. This has resulted in an inability of the PCSD to generate sufficient revenues to offset operational and infrastructure costs. Thus, in the fall 2022, District staff initiated the process to increase sewer service rates for the PCSD System.

D. The PCSD is authorized by Health and Safety Code section 5470 *et seq.* to impose and collect service charges to cover the costs of providing wastewater collection and treatment services.

E. On May 21, 2024, the Board of Supervisors of the County of Monterey acting as the Board of Directors of the PCSD: (i) conducted a public hearing pursuant to Proposition 218 to hear objections to, or protests against, the proposed wastewater service rate increase by property owners within the service area; (ii) directed the Clerk of the Board to tabulate and certify assessment ballots received before the conclusion of the public hearing; (iii) determined that no majority protest existed; (iv) adopted a resolution approving the proposed wastewater service rate increase; and (v) approved a \$1,409,300 funding source subsidy from the Fiscal Year 2024-25 General Fund based on the proposed wastewater rate structure.

F. The Proposition 218 protest hearing was convened to hear objections to, or protests

against, the proposed sewer service rate increases by property owners pursuant to Proposition 218 requirements and was set by the Board of Supervisors of the County of Monterey, acting as the Board of Directors of the PCSD on March 26, 2024.

G. The Notice of Public Hearing (with proposed wastewater rates and Spanish translation) was mailed to property owners on March 28, 2024, and published in the Monterey County Weekly on April 4, 2024. Additionally, the Notice of Public Hearing was posted on the County of Monterey Public Works, Facilities, and Parks (“PWWP”) webpage. Copies of the Rate Study and Notice of Public Hearing of the Proposition 218 protest hearing with proposed wastewater rates were made available at the PWWP offices.

H. Prior to any Board of Directors action, four community outreach events were held to inform property owners within the jurisdictional boundaries of the PCSD of the proposed rate increase. The first community outreach event was held on November 7, 2023, in Las Lomas, and the second on November 14th in Bay Farms. Subsequent meetings were convened in Pajaro and again in Las Lomas on January 24 and March 19, 2024, respectively. Rate increases, as presented in the rate study were explained and discussed, and information regarding the wastewater system, as well as the need to increase rates, was provided during the community outreach events.

I. On May 21, 2024, the Proposition 218 protest hearing was conducted by the Board of Supervisors, acting as the PCSD Board of Directors, which resulted in a failed negative protest vote and corresponding PCSD Board of Directors’ approval of the proposed rate increase effective as of July 1, 2024, as set forth in Section 16(f), Schedule of Rates, below.

J. The purpose of this Ordinance is to amend Section 16 of Ordinance No. 05054 to memorialize the May 21, 2024 rate increase which resulted due to the failed negative protest vote and corresponding PCSD Board of Directors’ approval of the then proposed rate increase, as set forth in Section 16(f), Schedule of Rates, below.

K. On May 21, 2024, this Ordinance was introduced, reading was waived, and set for adoption on June 4, 2024.

L. Pursuant to the May 21, 2024 protest hearing, PCSD Board of Directors approved rate increase, and said rates shall be effective as of July 1, 2024, as reflected in Section 16.

M. This Ordinance is exempt from the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Public Resources Code section 21065; CEQA Guidelines sections 15378(b)(4) and 15061(b)(3)), and because the Ordinance involves the approval of government revenues to fund existing services (Public Resources Code section 21080(b)(8); CEQA Guidelines section 15273(a)(4)).

N. Section 16 of Ordinance No. 3, as amended by Ordinance No. 6, Ordinance No. 12, Ordinance No. 14, Ordinance No. 16, Ordinance No. 19, Ordinance No. 20, Ordinance No. 21, Ordinance No. 22, Ordinance No. 23, Ordinance No. 24, Ordinance No. 25, Ordinance No. 25A, and Ordinance No. 05054 of the PCSD is amended to read as follows:

SECTION 2. AMENDMENT TO SECTION 16.

Section 16 of Ordinance No. 05054 is hereby amended in its entirety to read as follows:

SECTION 16. SEWER SERVICE CHARGES

- a) Any person owning parcels containing buildings from which discharges of wastewater are made to the PCSD sewer system shall pay to the PCSD a monthly sewer service charge in accordance with the Schedule of Rates set forth below, as may be amended from time to time.
- b) Notwithstanding anything to the contrary in this Ordinance, the minimum monthly rate for any parcel connected or to be connected to the PCSD sewer system shall not be less than the monthly rate shown per Equivalent Dwelling Unit (EDU) for a Single Family Residence. For parcels having a connection for which a specific classification for sewer service charges has not been set forth in this Section, the Board shall set and charge such rates, as in its sole discretion, it deems applicable for the type of uses made of the parcel in relation to the uses made below classified and the rate in the Ordinance fixed for said classified uses.
 - 1) The rate structure is a fixed charge structure based on EDUs defined as the flow and strength of a single-family residence consisting of 6 hundred cubic feet (HCF) of wastewater flow per month with Bio-chemical Oxygen Demand (BOD) strength of 250 milligrams per liter (mg/l) and Suspended Solids (SS) strength of 250 mg/l.
 - 2) Residential flat rates are categorized as Single Family Residential (SFR), Multifamily (MFR), or Mobile Homes. Wastewater strength is the same across the three, however lower wastewater discharge volume for multifamily and mobile homes is taken into account with an EDU multiple of 80% for multifamily and 70% for mobile homes.
 - 3) Non-residential rates are based on EDU annual average volume, and wastewater strength. The number of EDUs assigned to each non-residential parcel is based on the available water records from the Pajaro/Sunny Mesa Water Community Services District for years 2020 through 2023. New accounts will be assigned wastewater flow based on similar businesses or projected water use by the commercial property with concurrence by the PCSD Engineer.
 - i. In no case will the annualization calculation result in water consumption of less than 1 EDU (6 HCF) per month.
 - ii. Evaluation of the EDU annualization calculation used in the previous calendar year may be requested by the user prior to March 30 for the purpose of updating the EDUs for billing.
 - iii. The County may evaluate non-residential water use and wastewater strength on an annual basis to establish appropriate non-residential sewer rates.
- c) The PCSD shall collect monthly sewer service charges on the property tax roll of the County of Monterey in the same general manner, by the same persons, and at the same time as the collection of general property taxes, in the manner provided pursuant to by California Health and Safety Code section 5470 *et seq.*
- d) All sewer service charges shall be collected in advance on a bi-monthly basis on the property tax roll of the County of Monterey in the same general manner, by the same persons, and at the same time as the collection of general property taxes, in the manner provided pursuant to by California Health and Safety Code section 5470 *et seq.* All charges for sewer services shall be in the name of the owner of the property being served as reflected on the last equalized assessment roll for the County of Monterey or as reflected in any deed or other satisfactory evidence of change of ownership recorded with the County Recorder since the last equalized assessment roll, upon presentation of such evidence to the County of Monterey, Department of

Public Works and Facilities Director for such purposes. The property owner of record shall be the party ultimately responsible for the payment of sewer service charges.

e) **Determination of Wastewater Volume.** Unless an industrial user has provided an effective means, which has been approved by the PCSD Engineer, to directly or indirectly meter wastewater volume, wastewater volume shall be assumed to be equal to the total volume of water used from all sources. The total volume of water used from all sources will be determined by means of public meters and/or private meters, installed and maintained at the expense of the user and approved by the PCSD Engineer. Any industrial user who has properly installed and maintained an effective means, approved by the PCSD Engineer, by which wastewater volume may be directly or indirectly metered, shall have its wastewater volume determined by such means. However, should any of the meters utilized to determine wastewater volume be found to be functioning in a manner as to not provide accurate measurements, user charges and fees shall be applied against the total volume of water used from all sources. This shall be done until such time that the user’s wastewater meter is repaired and demonstrated to the PCSD Engineer, at user’s expense, to be functioning properly.

f) **Schedule of Rates:**

Wastewater Service Charges

Classification		July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Residential (\$/DU)	EDU Multiple	\$/mo	\$/mo	\$/mo	\$/mo	\$/mo
	1.00	\$60.00	\$67.60	\$75.50	\$83.72	\$92.27
	0.80	\$48.00	\$54.08	\$60.40	\$66.97	\$73.81
Multifamily (\$/DU)	0.70	\$42.00	\$47.32	\$52.85	\$58.60	\$64.59
Non-Residential	Strength Factor	\$/mo	\$/mo	\$/mo	\$/mo	\$/mo
	1.00	\$60.00	\$67.60	\$75.50	\$83.72	\$92.27
	1.56	\$93.80	\$105.67	\$118.02	\$130.87	\$144.23

Notes:

1. An Equivalent Dwelling Unit (EDU) is defined as the flow and strength of a single-family residence consisting of 6 hundred cubic feet (HCF) of wastewater flow per month with Bio-chemical Oxygen Demand (BOD) strength of 250 milligrams per liter (mg/l) and Suspended Solids (SS) strength of 250 mg/l.
2. Low-Strength wastewater is defined as wastewater with a BOD and SS strength of less than or equal to 250 mg/l.
3. High-Strength wastewater is defined as wastewater with a BOD and SS strength of more than or 250 mg/l. and less than or equal to 600 mg/l.
4. For wastewater with a BOD and/or SS strength greater than or equal to 600 mg/l, the charge per EDU will be determined by the District Engineer and based on the actual strength of BOD and SS. (Charge = \$60 * (Flow HCF)/6 HCF * (0.5977 + (BOD mg/l)/250 BOD * 0.2073 + (SS mg/l)/250 mg/l * 0.1949).

g) San Francisco-Oakland Consumer Price Index (CPI). Following the July 1, 2028 rate increase as established in Section 16(f) Schedule of Rates, set forth above, rates shall be adjusted annually on each succeeding July 1 pursuant to the San Francisco-Oakland Consumer Price Index.

SECTION 3. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of whether any one or more sections, subsections, sentences, clauses, or phrases is declared invalid.

SECTION 4. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day after its adoption.

PASSED AND ADOPTED on this 4th day of June 2024, by the following vote:

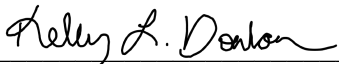
AYES:
NOES:
ABSENT:
ABSTAIN:

Chair, Glenn Church
Monterey County Board of Supervisors

A T T E S T:

VALERIE RALPH
Clerk of the Board

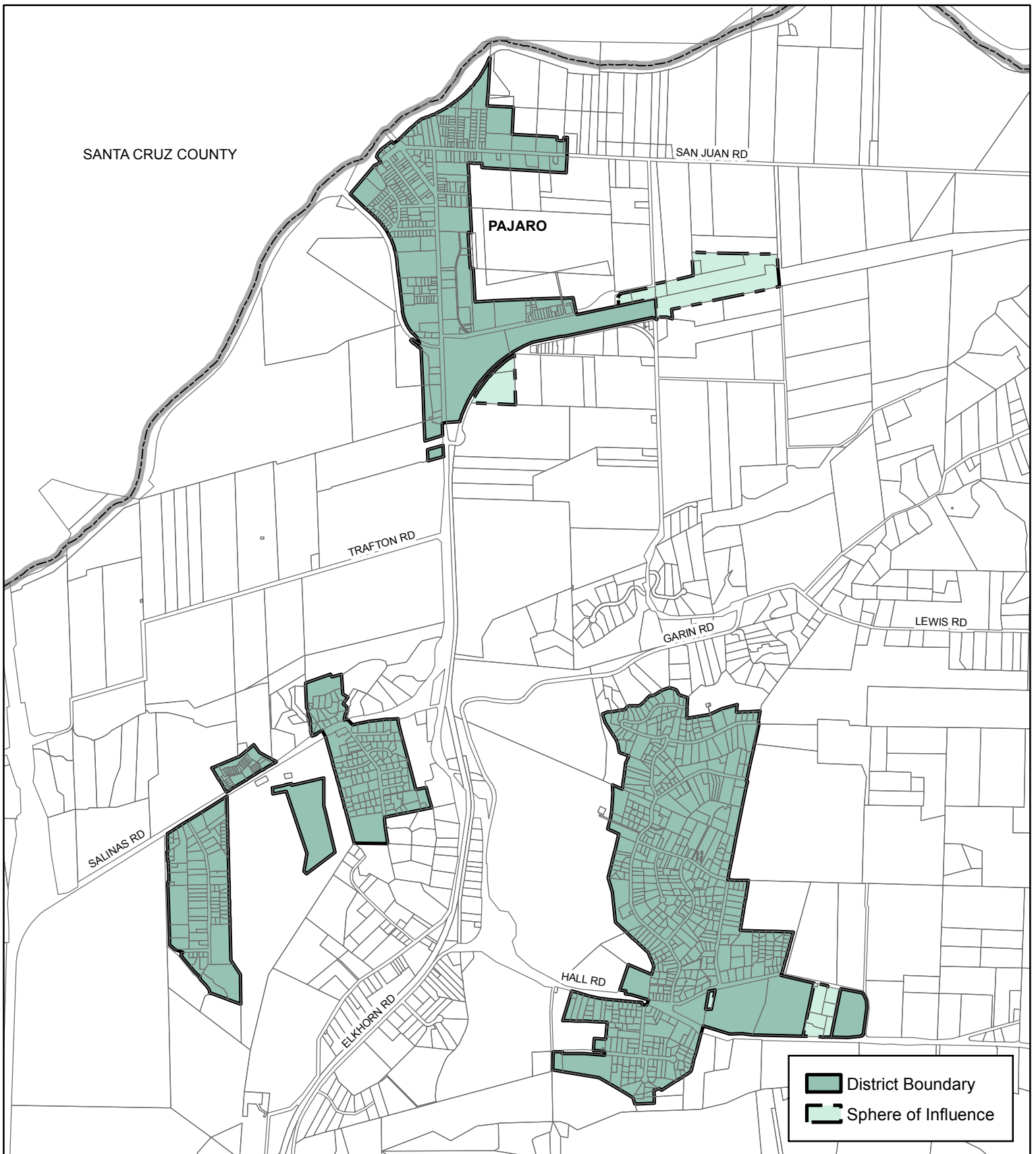
By: _____
Deputy

APPROVED AS TO FORM BY:


Kelly L. Donlon
Assistant County Counsel

Attachment B

Attachment A



SANTA CRUZ COUNTY

SAN JUAN RD

PAJARO

TRAFTON RD



GARIN RD

LEWIS RD

SALINAS RD

ELKHORN RD

HALL RD

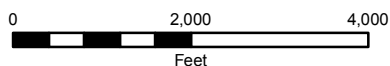
 District Boundary
 Sphere of Influence

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan St., Suite 102
Salinas, CA 93901
FAX (831) 754-5831



COUNTY SANITATION DISTRICTS

**PAJARO COUNTY
SANITATION DISTRICT**

(Last LAFCO-Approved Change: 03/26/2012)

Map prepared: 05/02/2013



County of Monterey

Item No.

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Legistar File Number: ORD 24-017

June 04, 2024

Introduced: 5/23/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Ordinance

Acting as the Board of Directors of the Pajaro County Sanitation District

Introduce, waive reading, and set a public hearing for July 9, 2024, at 10:30 a.m. as the date and time to consider adoption of an ordinance to amend Section 16 of Pajaro County Sanitation District (PCSD) Ordinance No. 05054 to provide for rate increases for wastewater sewer service rates.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Pajaro County Sanitation District (PCSD), introduce, waive reading, and set a public hearing for July 9, 2024, at 10:30 a.m. as the date and time to consider adoption of an ordinance to amend Section 16 of PCSD Ordinance No. 05054 to provide for rate increases for wastewater sewer service rates.

SUMMARY/DISCUSSION:

The PCSD wastewater collection system (System) is in the unincorporated northern area of the County of Monterey. The System serves the communities of Bay Farms, Las Lomas, Pajaro Sunny Mesa, and Pajaro. It includes approximately 16.5 miles of gravity sewer pipe, six pump stations, and approximately 2.4 miles of force sewer main. There are approximately 1,047 sewer connections and 1,768 billing units. The PCSD System is a wastewater collection system only. Collected sewage is pumped to the City of Watsonville wastewater treatment plant for treatment.

On May 21, 2024, acting as the Board of Directors of the PCSD (Board), the Board conducted a Proposition 218 Protest Hearing on the then proposed rate increase. A minimum 45-day notice of the Protest Hearing was provided to property owners within the jurisdictional boundaries of the PCSD. Per the Proposition 218 Majority Protest process, the then proposed new rate structure would not have been implemented if, at the conclusion of the Protest Hearing on May 21, 2024, a majority (50% plus one [1]) of written protests had been received. A total of three (3) written protests were received by the Clerk of the Board and Public Works, Facilities, and Parks (PWWP) Special Districts staff, prior to the Protest Hearing. Three (3) verbal protests were presented during the Protest Hearing.

Because there was less than a 51% no vote against the then proposed rate increases, the protest failed. If there had been a 51% no vote by property owners against the then proposed rate increases, the rate increases would not have been adopted by the Board. Following the failed protest, the Board adopted the then proposed rate increases to the wastewater service rates for the PCSD (Attachment A). Additionally, following the failed protest, the Board approved a

General Fund subsidy in the amount of \$1,409,300 to keep rates consistent with rates for wastewaters collection systems located within surrounding communities in the City of Watsonville and the unincorporated area of the County of Santa Cruz for which collected sewage is pumped to the City of Watsonville wastewater treatment plant for treatment. The proposed amendment to Section 16 of PCSD Ordinance No. 05054 is to memorialize the rate increases which were approved by the Board, acting as the Board of Directors of the PCSD, on May 21, 2024. The wastewater service rates for the PCSD are set forth in Attachment A. The proposed ordinance, which memorializes the Board approved rates, will be set for adoption on July 9, 2024.

FINANCING:

The plan to increase wastewater services rates which was supported by the Board acting as the Board of Directors of the PCSD on March 26, 2024, includes a General Fund loan forgiveness of \$1,941,661 and General Fund subsidies to the PCSD for the foreseeable future to keep rates consistent with surrounding communities. Over the next five years, the General Fund subsidies are estimated to be \$1,409,300 (FY 2024-25), \$1,357,350 (FY 2025-26), \$1,073,300 (FY 2026-27), \$954,400 (FY 2027-28) and \$1,183,400 (FY 2028-29). The General Fund subsidy, in the amount of \$1,409,300 was approved by the Board following the failed protest on May 21, 2024.

The FY 2024-25 Recommended Budget does not include the necessary subsidy of \$1,409,300 and would require the Board of Supervisors to identify a General Fund funding source. Potential funding sources for the Board’s consideration include General Fund Unassigned Fund Balance and Contingencies.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommendations presented above support the following Board of Supervisors Strategic Initiatives by providing the funds necessary to maintain the PCSD infrastructure and thereby enhance public safety by minimizing sewer overflows.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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DocuSigned by:
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5/28/2024 | 3:59 PM PDT

Attachments:

- Attachment A - Ordinance
- Attachment B - Location Map