



Monterey County

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Board Report

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Matter Type: General Agenda Item

- a. Receive the results of the Toro Area Community survey in support of the formation of a community services district to provide sewer services;
- b. Support directing staff to develop a Memorandum of Understanding (MOU) between the County of Monterey and the Monterey Regional Water Pollution Control Agency (MRWPCA) for the preparation of a Focused Wastewater Service Area Study that will provide a current assessment of regional opportunities for sewer service area consolidation, including a Basis of Design for infrastructure to serve the Toro Area;
- c. Support funding of the Focused Wastewater Service Area Study with \$125,000 from the Resource Management Agency Facilities Maintenance Projects Fund (RMA004-401-3000-8184); and
- d. Support a request by the Board to the Local Area Formation Commission (LAFCO) to provide an opinion on the possible formation of an independent Community Services District (CSD) to take ownership of the wastewater system that currently serves the Toro Community.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive the results of the Toro Area Community survey in support of the formation of a community services district to provide sewer services;
- b. Support directing staff to develop a Memorandum of Understanding (MOU) between the County of Monterey and the Monterey Regional Water Pollution Control Agency (MRWPCA) for the preparation of a Focused Wastewater Service Area Study that will provide a current assessment of regional opportunities for sewer service area consolidation, including a Basis of Design for infrastructure to serve the Toro Area;
- c. Support funding of the Focused Wastewater Service Area Study with \$125,000 from the Resource Management Agency Facilities Maintenance Projects Fund (RMA004-401-3000-8184); and
- d. Support a request by the Board to the Local Area Formation Commission (LAFCO) to provide an opinion on the possible formation of an independent Community Services District (CSD) to take ownership of the wastewater system that currently serves the Toro Community.

SUMMARY:

For several years, Toro community residents have considered forming a community services district (CSD) and approval of a special tax to finance the acquisition of the existing wastewater collection and treatment system (System) operated by California Utility Service (CUS). The community researched this issue due to the perceived high cost of sewer service in the area. The Toro Area Sewer Coalition Steering Committee (TASCSC) provided the County with the results of a survey that identify 72% of the property owners support the formation of a CSD

based upon the costs identified in the May 14, 2013 Feasibility Study performed by the Wallace Group (Attachment A) that included operational and acquisition costs.

The Monterey Regional Water Pollution Control Agency (MRWPCA) recently requested proposals for the preparation of a Focused Wastewater Service Area Study that updates and finalizes the Agency's 2015 Focused Wastewater Service Area Study and will include the Toro Park Planning area, as well as Spreckels, Las Palmas Ranch, Indian Springs Ranch, and possibly others.

DISCUSSION:

On July 16, 2013, the Board received the Toro Area Wastewater Service Feasibility Study (Feasibility Study), dated May 14, 2013, prepared by the Wallace Group in response to Board Referral No. 2012.05. While the Study evaluated several alternatives for community consideration, the preferred alternative was to form an independently managed CSD. The Board directed the then RMA-Director of Public Works to return to the Board of Supervisors when the Community of Toro secured a minimum of 67% vote from the homeowners in support of the formation of a CSD. The TASCSC circulated a petition to the existing property owners with a sewer connection to the CUS wastewater system. Over 800 signatures were collected, representing 72% of the population and surpassing the minimum 67% requested by the Board.

The Feasibility Study is now three (3) years old. As reported to the Board in July 2013, the Feasibility Study identified the up-front costs associated with the formation of a CSD to be \$335,000 (Attachment A). However, the Feasibility Study included a wide range for the value of the existing wastewater system, while other required costs, such as the costs for the Engineer's Report, both Mail Ballot Elections for CSD formation and Special Tax Election, State Board of Equalization fees, and County administrative costs were not included in the Study's estimated formation cost table and cost per equivalent user (Attachment B). The Study's formation costs included \$20,000 for the completion of an appraisal of the existing sewer system. Since the timeframe to complete the CSD formation will likely take three (3) to five (5) years, any appraisal performed now would need to be updated again.

Staff is recommending the County take a regional approach for evaluating the sewer infrastructure in the county and collaborating with the MRWPCA by entering into a Memorandum of Understanding to provide an updated Focused Wastewater Service Area Study that will update and finalize the 2015 Focused Wastewater Service Area Study Scope. This study would include developing a Basis of Design for infrastructure necessary to service the Toro Area as well as other small sewer systems in the study area. The study will also identify potential grant opportunities to fund infrastructure and assist with grant application as needed; assist with developing information and materials MRWPCA may need to provide the Local Agency Formation Commission (LAFCO) for Municipal Service Review (MSR) or annexation/sphere of influence expansion for additional service areas; and technical support for California Environmental Quality Act (CEQA) review specifically for inclusion of the Toro Area into the MRWPCA and construction of required infrastructure as well possible CEQA support that may be needed for larger LAFCO MSR and MRWPCA service area annexation.

The Focused Wastewater Service Area Study will provide critical information in the strategic planning process for the Toro Area as well as other sewer systems system in the County.

FINANCING:

The Board of Supervisors approved a modification to the FY2016-2017 budget to increase appropriations and revenue by \$125,000 for the Resource Management Agency Facilities Maintenance Projects Fund (RMA004-401-3000-8184) to assist with possible formation of the Toro Community Services District. Staff is requesting support to utilize the \$125,000 towards the Focused Wastewater Service Area Study.

The Focused Wastewater Service Area Study will provide critical data to address regional wastewater needs for the Toro area as well as other areas such as Las Palmas, Spreckels, and other potential communities, including specific design for infrastructure.

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Approved by: Benny J. Young, Interim Deputy Director of Public Works and Facilities

Approved by: Carl P. Holm, AICP, RMA Director

as for
CMA

Attachments:

Attachment A - Toro Area Wastewater Service Feasibility Study

Attachment B - CSD Formation Costs Table

Attachment C - MRWPCA Focused Wastewater Service Area Study

(Attachments on file with the Clerk of the Board)