



County of Monterey

Item No.

Board Report

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

Legistar File Number: BCSD RES 25-001

April 22, 2025

Introduced: 4/4/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BCSD Resolution

Acting as the Board of Directors of the Boronda County Sanitation District (BCSD), authorize and direct the Auditor-Controller to amend Fiscal Year (FY) 2024-25 Adopted Budget for the Boronda County Sanitation District-Zone 2 San Jerardo (BCSD-Z2SJ), Fund 157, Appropriation Unit PFP050, increasing appropriations by \$55,970 funded by Unassigned Fund Balance (157-3101) for capital improvements projects, internal legal services, other personnel services and utilities (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting as the Board of Directors of the Boronda County Sanitation District (BCSD), authorize and direct the Auditor-Controller to amend Fiscal Year (FY) 2024-25 Adopted Budget for the Boronda County Sanitation District-Zone 2 San Jerardo (BCSD-Z2SJ), Fund 157, Appropriation Unit PFP050, increasing appropriations by \$55,970 funded by Unassigned Fund Balance (157-3101) for capital improvements projects, internal legal services, other personnel services and utilities (4/5th vote required).

SUMMARY/DISCUSSION:

BCSD-Z2SJ will incur costs greater than the amount budgeted in FY 2024-25 due to anticipated increases, capital improvement projects including water tank repairs and new water line valves, additional personnel services to manage capital improvement projects, anticipated increase in PG&E electrical costs and internal legal services related to the proposed sale and transfer of ownership of the San Jerardo Water System to the pending San Jerardo Mutual Water Company which will serve the San Jerardo Cooperative Housing Cooperative, Inc., Community. Unassigned fund balance will be the funding source for the increased costs.

Improvements required pursuant to the production well site Purchase Agreement between the County/BCSD and Sellers, consisting of two metered connections, have been installed, tested and confirmed to provide water and pressure. The reciprocal intertie required per the Intertie Agreement between Foothill Estates and the County/BCSD has been constructed and is complete. Testing of the intertie connection under emergency scenarios is still pending due to additional valve work needed at the production well site. Final testing is expected to be completed within the next two months.

Upon completion of the pending capital improvement projects, the County anticipates moving forward with the proposed sale and transfer of ownership of the San Jerardo Water System to the pending San Jerardo Mutual Water Company, which will serve the San Jerardo Housing Cooperative, Inc., Community. This action is supported by the State Water Board. Once the capital improvements have been completed and tested, and the San Jerardo Mutual Water Company has been formed, Public

Works, Facilities and Parks (PWFP) Special Districts Staff will return to the Board for authorization to proceed with the proposed sale and transfer of ownership of the San Jerardo Water System to the (currently pending) San Jerardo Mutual Water Company and authorization to proceed with an application to the Monterey County Local Agency Formation Commission (Monterey LAFCO) for dissolution of the BCSD-Z2SJ which was specifically formed for the purpose of operating and maintaining the San Jerardo Water System to provide potable water to the San Jerardo Housing Cooperative, Inc., Community.

OTHER AGENCY INVOLVEMENT:

PWFP coordinated this recommendation with the County Administrative Office Budget & Analysis Division.

FINANCING:

If approved, the FY 2024-25 Adopted Budget for BCSD-Z2SJ, Fund 157, Appropriation Unit PFP050, will increase by \$55,970, funded from Unassigned Fund Balance. The beginning FY 2024-25 BCSD-Z2SJ Unassigned Fund Balance is \$305,252. With expenditures expected to exceed revenues by \$206,312, the estimated ending Unassigned Fund Balance will be \$98,940.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES

Completion of the San Jerardo Water System improvements will ensure a safe and dependable water supply to the BCSD-Z2J customers. These improvements comply with the Board of Supervisors' Strategic Initiative for Infrastructure and Public Safety.

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Reviewed by: Tom Moss, PG, Senior Water Resources Hydrologist

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

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

Attachments:

Attachment A - Resolution

Attachment B - BCSD-Zone 2 SJ FY 2024-25 Financial Summary

Attachment C - Boronda County Sanitation District Zone 2 San Jerardo Location Map