



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 26-033

March 10, 2026

Introduced: 2/19/2026

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Authorize and direct the Auditor-Controller to amend the Fiscal Year 2025-26 Boronda County Sanitation District Adopted Budget, Fund 156, Appropriation Unit PFP049, to increase appropriations by \$127,166 funded by unassigned fund balance (156-3101) to fund system improvements and maintenance, utility costs, Sewer System Management Plan Update, and Rate Study and Proposition 218 election to establish new sewer service rates (4/5 vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize and direct the Auditor-Controller to amend the Fiscal Year 2025-26 Boronda County Sanitation District Adopted Budget, Fund 156, Appropriation Unit PFP049, to increase appropriations by \$127,166 funded by unassigned fund balance (156-3101) to fund system improvements and maintenance, utility costs, Sewer System Management Plan Update, and Rate Study and Proposition 218 election to establish new sewer service rates (4/5 vote required).

SUMMARY:

The Boronda County Sanitation District (BCSD) provides wastewater collection services to the community of Boronda. The operations and maintenance of the BCSD system must meet the regulatory requirements established under the State Water Resources Control Board (SWRCB) Order WQ 2022-0103-DWQ Statewide Waste Discharge Requirements General Order for Sanitary Sewer Systems. BCSD will incur costs greater than the amount budgeted in Fiscal Year (FY) 2025-26 due to the need to perform annual system cleaning and maintenance, equipment repairs and generator maintenance projects, completion of a SWRCB mandated Sewer System Management Plan Update, and completion of a Rate Study and Proposition 218 election to established new sewer rates. Increased expenditures are also anticipated for utility services.

DISCUSSION:

Maintenance and annual line cleaning are required to maintain the sewer system in proper working order, which results in the reduced occurrence of sewer spills and equipment failure. Annual cleaning reduces the buildup of fats, oils, grease, and other debris. It also helps to identify other problems that could potentially cause sewer line breaks and sewer spills. Lift station electrical repairs not previously budgeted have also been identified.

SWRCB Order WQ 2022-0103-DWQ requires completion of a Sewer System Management Plan Update to ensure the system is properly managed to reduce the risk of spills and provide effective cleanup and reporting measures. Additional funding is required for completion of this update.

BCSD sewer service rates are insufficient to meet the costs to operate and maintain the system. To establish new sewer rates for BCSD, an Engineer's Rate Study must be completed, a 45-day notice to property owners of record must be provided, and a noticed public hearing consisting of a Proposition 218 Protest Hearing must be conducted. It is anticipated that the Prop 218 hearing will be held prior to the end of the current fiscal year. If approved, new sewer rates will go into effect at the beginning of FY 2026-27. Additional costs to establish the new rates for compliance with Proposition 218, including the Engineer's rate study, legal support from the Office of the County Counsel, and additional staff time is anticipated. Finally, minor budget increases are also predicted for AT&T communication and PG&E utilities.

FINANCING:

If approved, the BCSD adopted budget for FY 2025-26 will be modified to increase appropriations by \$127,166 to fund additional expenditures. The increased costs are proposed to be funded by BCSD unassigned fund balance of \$129,963 which will reduce the fund balance to \$1,933.

If the Rate Study and subsequent Proposition 218 election are not approved and implemented, the remaining minimum fund balance would provide little to no financial cushion to address ongoing operational needs or unforeseen costs.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action complies with the Board of Supervisors' Strategic Initiatives including sustainable infrastructure for the present and future and safe and resilient communities.

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Administration

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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 FY 2025-26 Budget vs Forecast

Attachment C - Location Map