

Attachment C

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**Board of Supervisors
County of Monterey, State of California**

Resolution No. 20-0 _____

Adopt a resolution to authorize and direct the Auditor-)
Controller to amend the FY 2019-20 Pajaro County)
Sanitation District Adopted Budget, Fund 151,)
Appropriation Unit RMA040, to increase)
appropriations by \$782,871, financed by \$782,871)
from Fund 151, Fund Balance, Account 3101 (4/5th)
vote required).)

WHEREAS, since FY 2016-17, the Pajaro County Sanitation District (PCSD) has experienced a number of high-cost system and equipment failures, beginning with damages caused by the 2017 winter storms and wastewater release, followed by subsequent infrastructure failures;

WHEREAS, General Fund Loans, totaling \$1,874,264, were issued in Fiscal Years 2016-17 (\$359,264) and 2017-18 (\$1,515,000), to fund costs of damages and equipment replacement caused by the 2017 winter storms;

WHEREAS, final repairs and equipment replacement to address damages from the 2017 winter storms were completed in September 2019, at a total cost of \$1,140,894, leaving a loan balance of \$782,871;

WHEREAS, subsequent repairs and capital equipment replacements were required to ensure proper system operations, resulting in costs that exceeded annual revenue, and will cause a projected overrun of the FY 2019-20 Adopted Budget by \$784,447;

WHEREAS, to offset the unplanned operation expenditures, it is necessary to increase appropriations by \$782,871 from the remaining loan balance;

WHEREAS, after a Request for Proposals (RFP) process seeking interested operators, a selection was made and an Exclusive Negotiating Agreement (ENA) between the County and California-American Water Company (CalAm) was executed in July 2019, to effect disposition of the system; and

WHEREAS, for PCSD to achieve fiscal sustainability, a Sanitation System Condition Assessment and Rate Study have been initiated to inform a possible Proposition 218 Rate Increase for the District, and it will consider loans issued by the County to the District.

NOW, THEREFORE, BE IT RESOLVED THAT the Monterey County Board of Supervisors, acting as the Board of Directors for the Pajaro County Sanitation District, hereby approves the following:

Adopt a resolution to authorize and direct the Auditor-Controller to amend the FY 2019-20 Pajaro County Sanitation District Adopted Budget, Fund 151, Appropriation Unit RMA040, to increase appropriations by \$782,871, financed by \$782,871 from Fund 151, Fund Balance, Account 3101 (4/5th vote required).

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____ and carried this 5th day of May 2020, by the following vote, to wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph, 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 resolution of said Board of Supervisors duly made and entered in the minutes thereof Minute Book ___ for the meeting on May 5, 2020.

Dated: _____
File Number: _____

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy