



Monterey County

Budget Committee

Legistar File Number: BC 21-028

Item No.

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

March 31, 2021

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Version: 1

Current Status: Agenda Ready

Matter Type: Budget Committee

Support the Public Works, Facilities & Parks recommendation to the Board of Supervisors, acting as the Board of Directors of the Boronda County Sanitation District, to authorize and direct the Auditor-Controller to amend the Fiscal Year 2020-21 Boronda County Sanitation District Adopted Budget, Fund 156, Appropriation Unit RMA045, to increase appropriations by \$35,091, financed by Boronda County Sanitation District Unassigned Fund Balance, Fund 156, Appropriations Unit RMA045, Balance Sheet Account 3101.

RECOMMENDATION:

It is recommended that the Budget Committee support the Public Works, Facilities & Parks recommendation to the Board of Supervisors, acting as the Board of Directors of the Boronda County Sanitation District, to authorize and direct the Auditor-Controller to amend the Fiscal Year 2020-21 Boronda County Sanitation District Adopted Budget, Fund 156, Appropriation Unit RMA045, to increase appropriations by \$35,091, financed by Boronda County Sanitation District Unassigned Fund Balance, Fund 156, Appropriations Unit RMA045, Balance Sheet Account 3101.

SUMMARY/DISCUSSION:

The Boronda County Sanitation District (BCSD) will incur costs greater than the amount budgeted in FY 2020-21 due to higher than anticipated costs related to maintenance expenses and consulting services to complete the rate study and Proposition 218 election that will establish new customer rates.

The receipt of several Fiscal Year 2019-20 invoices for maintenance and repairs were delayed, causing them to be processed in the current fiscal year. Additionally, it was anticipated that the rate study to support a Proposition 218 rate increase would be completed prior to the end of FY 2019-20. Delays to the rate study have occurred due to consultant and County staff workloads, as well as the reduction in Special Districts staff. When the sanitation system condition assessments were initiated, Special District staff consisted of a Management Analyst III, a Management Analyst II, and a recently hired Civil Engineer, to provide support on the Condition Assessments and Rate Studies. However, after approximately three months, the Civil Engineer resigned from the position in November 2019. The Special Districts Management Analyst II, subsequently accepted a position with Parks in February 2020, further reducing Special Districts staff to one employee. Recruitment efforts to fill the Civil Engineer position and hire a Project Manager, to replace the Management Analyst I position continue. The County also released an RFP for Civil Engineering firms that can provide consulting services on county service area and sanitation system projects and will begin interviewing prospective firms. This will provide additional technical support to staff.

It is now estimated that the final rate study will be completed by the end of April 2021 and the Proposition 218 hearing will be held by the end of August 2021. This revised schedule will allow for new rates to be implemented by October 2021.

The current budget does not have sufficient funding to accommodate these increased expenditures, required appropriation of the \$35,091 fund balance.

OTHER AGENCY INVOLVEMENT:

This item is scheduled for the Board of Supervisors, acting as the Board of the Boronda County Sanitation District's consideration at their regularly scheduled meeting on April 20, 2021.

FINANCING:

As of June 30, 2020, the BCSD Unassigned Fund Balance has \$35,091 available to finance the requested appropriation increase. The FY 2020-21 Adopted Budget allocation of \$3,500 for Building Improvement & Maintenance and \$5,000 for Other Professional Services is insufficient to cover anticipated annual cost increases for these services. If approved, the recommended action will increase appropriations for Fiscal Year 2020-21 Boronda County Sanitation District Adopted Budget, Fund 156, to fund the additional expenditures necessary for the maintenance and operations of the District and completion of the rate study and reduce the fund balance to \$0. Attachment A provides a Financial Summary for the BCSD Fiscal Year Ending 06-31-2021.

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Attachments:

Attachment A - BCSD Financial Summary

Attachment B - Location Map