



County of Monterey

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

Legislation Details (With Board Report)

File #: 13-0626 **Name:** CSA 75 Amend Budget \$121K
Type: General Agenda Item **Status:** Passed
File created: 6/5/2013 **In control:** Board of Supervisors
On agenda: 6/18/2013 **Final action:** 6/18/2013

Title: Acting on behalf of County Service Area 75- Chualar:
a. Receive and accept a report on the financial condition of County Service Area 75 - Chualar;
b. Authorize the Auditor-Controller to amend the budget for County Service Area 75 - Chualar, Fund 093, Appropriation Unit RMA088, for FY 2012-13 by increasing appropriations by \$121,479 for ongoing operations and maintenance costs (4/5th vote required); and
c. Authorize the Auditor-Controller to incorporate approved appropriation to the FY 2012-13 Budget (4/5th vote required).

Sponsors: Public Works / RMA

Indexes:

Code sections:

Attachments: 1. Location Map, 2. Completed Board Order

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|----------|--------|
| 6/18/2013 | 1 | Board of Supervisors | approved | |

Acting on behalf of County Service Area 75- Chualar:
a. Receive and accept a report on the financial condition of County Service Area 75 - Chualar;
b. Authorize the Auditor-Controller to amend the budget for County Service Area 75 - Chualar, Fund 093, Appropriation Unit RMA088, for FY 2012-13 by increasing appropriations by \$121,479 for ongoing operations and maintenance costs (4/5th vote required); and
c. Authorize the Auditor-Controller to incorporate approved appropriation to the FY 2012-13 Budget (4/5th vote required).

RECOMMENDATIONS:

It is recommended that the Board of Supervisors acting on behalf of County Service Area 75- Chualar:

- a. Receive and accept a report on the financial condition of County Service Area 75 - Chualar;
- b. Authorize the Auditor-Controller to amend the budget for County Service Area 75 - Chualar, Fund 093, Appropriation Unit RMA088, for FY 2012-13 by increasing appropriations by \$121,479 for ongoing operations and maintenance costs (4/5th vote required); and
- c. Authorize the Auditor-Controller to incorporate approved appropriation to the FY 2012-13 Budget (4/5th vote required).

SUMMARY:

FY 2012-13 began with an Unappropriated Fund Balance of \$121,479. These funds are necessary to meet year end obligations.

DISCUSSION:

County Service Area (CSA) 75 - Chualar was first established as a consolidation of prior agencies that served the community. Currently, it provides the following services: 1) Lighting, 2) Storm Drain and Surface Water Disposal, and 3) Wastewater Collection and Treatment.

The operations and maintenance of the wastewater collection and treatment system must meet the regulatory requirements established for it by Water Discharge Requirements Order No. 01-038 issued by the Regional Water Quality Control Board.

On June 19, 2012, the Board of Supervisors amended the budget for CSA 75 - Chualar for FY 2011-12 to permit an Operating Transfer out up to the amount of \$183,468 from Capital Projects Fund 402, 3101 Unreserved Fund Balance to Fund 093, CSA75 - Chualar, as a loan to be repaid with Interest, and increase the appropriations for FY 2011-12 by \$131,855 to address costs that were not budgeted. A portion of the loan was for FY 2012-13 operations and maintenance costs that exceeded revenue projections.

On December 11, 2012, the Board of Supervisors amended the budget for CSA 75 - Chualar, Fund 093, Appropriation Unit RMA088, for FY 2012-13 by increasing appropriations by \$399,922 and estimated revenues in the amount of \$399,922 for emergency repairs. The final phase of those repairs is currently being completed, but a final emergency repair cost is still being calculated. A portion of the unappropriated fund balance of \$121,479 will pay for the final phase of the emergency repairs, though the final repair cost will not be known until the work is complete. Resource Management Agency - PW (RMA-PW) Staff anticipates completing that report during the first quarter of FY 2013-14.

RMA-PW Staff has prepared a Community Development Block Grant (CDBG) application and received funding approval for \$200,000 to be spent to rehabilitate recently identified deficiencies in the sanitary sewer system. This rehabilitation will focus primarily on rehabilitation of the pond treatment facilities in FY 2013-14. Staff has also met with representatives of the State Water Resources Control Board, Division of Finance (SWRCB-Fin) to discuss funding options for eliminating other functional deficiencies in the sanitary sewer system. SWRCB-Fin authorized and funded the California Rural Water Association to provide assistance to assess the system, conduct an economic survey of the community, and continue the development of the Sanitary Sewer Master Plan, as well as conduct a rate study and Proposition 218 process. Staff has also worked with the Parks Department personnel to maintain regulatory compliance of the treatment system through an inter-departmental collaboration for operating treatment facilities.

OTHER AGENCY INVOLVEMENT:

Water Discharge Requirements Order No. 01-038 issued by the Regional Water Quality Control Board establishes regulatory requirements which must be met by CSA 75 - Chualar in its wastewater collection and treatment operations. This item was presented to the Budget Committee for their support on June 12, 2013.

FINANCING:

There is no impact to the County General Fund. The annual operation and maintenance costs of CSA 75 - Chualar have exceeded the annual revenues for the last ten years. The Unappropriated Fund balance in CSA 75 - Chualar is the remnant of the FY 2011-12 loan from Fund 402. The loan would be paid back to Fund 402 from CSA 75, Fund 093, if and when rates have been adjusted to fully cover the costs of operation, maintenance and capital replacement. The proposed budget modification was previously discussed in FY 2011-12, including \$51,613 that was identified at that time as needed in FY 2012-13 to address the continuing shortfall. When the Board considers a rate increase resulting from the planning grant work through the California Rural Water Association, it will also update the budget and the loan as may be necessary to continue operations.

Prepared by: Dirk J. Medema, P.E., Environmental Services Manager, (831) 784-5647

Approved by:

Robert K. Murdoch, P.E., Director of Public Works

Benny J. Young, RMA Director

Dated: June 7, 2013

Attachment: Location Map