



County of Monterey

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

Board Report

File #: RES 17-065, **Version:** 1

Adopt a Resolution to:

- a. Approve an increase in appropriations of \$10,000 in the Fiscal Year 2016-17 Budget from the CSA 75 Chualar Consolidated Fund 093-3000-8198 to fund a Prop 218 Negative Protest Process associated with a property-fee increase for sewer rates (Rate Alternative 1B - No Loan Payback, Three (3)-Year Phase-In) where the financing source is unassigned fund balance; (4/5th vote required) and
- b. Authorize the Auditor-Controller to amend the FY 2016-17 CSA 75 Chualar Consolidated Adopted Budget to increase appropriations by \$10,000 in the CSA 75 Chualar Fund 093, Appropriation Unit RMA088, funded by unassigned fund balance (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Approve an increase in appropriations of \$10,000 in the Fiscal Year 2016-17 Budget from the CSA 75 Chualar Consolidated Fund 093-3000-8198 to fund a Prop 218 Negative Protest Process associated with a property-fee increase for sewer rates (Rate Alternative 1B - No Loan Payback, Three (3)-Year Phase-In) where the financing source is unassigned fund balance; (4/5th vote required) and
- b. Authorize the Auditor-Controller to amend the FY 2016-17 CSA 75 Chualar Consolidated Adopted Budget to increase appropriations by \$10,000 in the CSA 75 Chualar Fund 093, Appropriation Unit RMA088, funded by unassigned fund balance (4/5th vote required).

SUMMARY/DISCUSSION:

County Service Area 75 - Chualar Consolidated (CSA 75) is a service area of approximately 175 acres and serves the entire unincorporated area of Chualar, located south of Salinas along Highway 101. There are 173 sewer rate payers, a majority of which are residential. In addition to the operation and maintenance of sewage collection, disposal, and treatment services, the CSA also provides street lighting service and storm and surface water drainage.

At the March 7, 2017 Board of Supervisors meeting, the Board received the County Service Area 75 - Chualar Consolidated Draft Wastewater Rate study; approved Rate Alternative 1B - No Loan Payback, No Phase-In; and authorized staff to proceed with the Proposition 218 Majority Protest Process. The Proposition 218 process is the state mandated method for increasing existing property-related fees. This process has three formally required components: the notice of fee increase, public hearing, and the protest. Preparation and management of the majority protest will be completed in-house by Resource Management Agency (RMA) staff. This includes, but is not limited to, the creation of subsequent board reports related to the Proposition 218 Majority Protest, preparation and oversight of the mailing of the fee increase notices, follow-up with the billing agency in the event that the fee increase is approved, and other related tasks. It is anticipated that an additional \$10,000 in funding will be required which was not included in the FY 2016-17 budget.

At the March 21, 2017 Board of Supervisors meeting, the Board approved the forgiveness of four (4) loans totaling \$1,166,483 and found that the forgiveness of said loans constituted a public benefit. These loans were provided to fund emergency repairs and the income rate study.

OTHER AGENCY INVOLVEMENT:

The Budget Committee supported this action at their April 28, 2017 meeting.

FINANCING:

The recommended action will increase the FY 2016-17 adopted budget appropriations in Fund 093, Appropriations Unit RMA088 by \$10,000, where the financing source is unassigned fund balance. The FY 2016-17 beginning fund balance for the CSA 75 Chualar Consolidated Fund Balance, 093, is \$122,098 and after the recommended action the fund balance will be \$112,098. The fund balance at the end of the 2016-17 fiscal year is estimated to be \$83,048.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Increased sewer rates will generate additional revenue to fund maintenance, repairs and equipment replacement. This action moves towards balancing the budget for the Chualar Service Area, so that we can improve efficiency and effectiveness of county services. Adequately addressing sewer infrastructure needs improves public health and safety by ensuring safe and effective collection of wastewater.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm AICP, RMA Director

Attachments:

Attachment A - Resolution

Attachment B - CSA 75 Chualar FY 2016-17 Budget

Attachment C - Location Map

(Attachments on file with the Clerk of the Board)