



County of Monterey

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

Board Report

File #: BC 18-061, **Version:** 1

Support authorizing the Auditor-Controller to amend the FY 2017-18 adopted budget for County Service Area 75 Chualar, Fund 093, Appropriation Unit RMA088, increasing appropriations in the amount of \$38,637 where Fund 093 unassigned fund balance is the financing source.

RECOMMENDATION:

It is recommended that the Budget Committee support authorizing the Auditor-Controller to amend the FY 2017-18 adopted budget for County Service Area 75 Chualar, Fund 093, Appropriation Unit RMA088, increasing appropriations in the amount of \$38,637 where Fund 093 unassigned fund balance is the financing source.

SUMMARY/DISCUSSION:

County Service Area 75 Chualar (CSA 75) was formed June 15, 1993 to provide extended county services including sanitation services, street lighting, and storm and surface water drainage.

CSA 75 will incur costs greater than the amount budgeted in the FY 2017-18 budget. This is due to unanticipated sewer line repair, equipment repairs, special districts staff time, and fleet service charges/vehicle usage costs. The sewer line repair is the result of a partially collapsed sewer pipe that restricts the flow of sewage in the line. Special districts staff is currently developing the scope of work for this project which will be completed through the Job Order Contracting program.

The CSA 75 sewer system conveys wastewater to treatment ponds where an aerator is utilized to add air and mix the wastewater to promote the breakdown of organic material. The aerator currently requires repair to work properly. Finally, the CSA has also seen increased costs in fleet service and vehicle usage costs as well as staff time related to the above-mentioned projects as well as the Sewer System RFQ project that is currently in process.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

The recommended action will increase the FY 2017-18 adopted budget appropriations in Fund 093, Appropriations Unit RMA088, by \$38,637, financed by Fund 093 unassigned fund balance. The FY 2017-18 estimated fund balance for CSA 75 Fund 093, RMA088, is \$111,694. With the recommended action, fund balance will be reduced by a total of \$62,603, leaving an estimated balance of \$49,091 at the end of the fiscal year.

A wastewater rate increase was approved in December 2017 and the new rates went into effect on January 1, 2018. The rates will be phased in over the next five years with increases every January through FY 2021-2022. The estimated annual revenue from sanitation fees for the current fiscal year is approximately \$67,800. Sanitation revenue in subsequent years is expected to be \$114,000 in FY 2018-19, \$190,000 in FY 2019-2020, \$240,000 in FY 2020-2021, and \$246,000 in FY 2021-22.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The requested appropriation for CSA 75 will adhere to Strategic Initiatives related to Health & Human Services, Infrastructure, and Public Safety by ensuring proper wastewater flow and system operation.

☐ 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 - CSA 75 Budget

Attachment B - CSA 75 Location Map

(Attachments on file with the Clerk of the Board)