



Board Report

File #: RES 20-145, **Version:** 1

Adopt a resolution to authorize and direct the Auditor-Controller to amend the Fiscal Year 2020/21 Adopted Budget for County Service Area 72-Las Palmas, Fund 091, Appropriation Unit RMA087, to increase appropriations by \$64,709 for staff time and consultant costs to accomplish tasks necessary to comply with state regulations, financed by Fund 091, Unassigned Fund Balance, Account 3101 (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to authorize and direct the Auditor-Controller to amend the Fiscal Year 2020/21 Adopted Budget for County Service Area 72-Las Palmas, Fund 091, Appropriation Unit RMA087, to increase appropriations by \$64,709 for staff time and consultant costs to accomplish tasks necessary to comply with state regulations, financed by Fund 091, Unassigned Fund Balance, Account 3101 (4/5th vote required).

SUMMARY/DISCUSSION:

Currently, portions of County Service Area 72-Las Palmas (CSA 72) receive reclaimed domestic wastewater from the Las Palmas Wastewater Reclamation Plant, owned and operated by California American Water Company (Cal Am). This treated recycled water is used specifically for irrigation of common green space areas and parkways owned by various homeowners' associations (HOAs) in CSA 72. The California Regional Water Quality Control Board (CRWQCB) stipulates requirements for the use of recycled water. Cal Am is the designated Supplier, Monterey County is the designated Distributor of the recycled water, and the HOAs are designated Users. The Board of Supervisors approved the Las Palmas Ranch Specific Plan in 1983. Per the CRWQCB Supplier and Distributor Master Reclamation Requirements Order No. R3-2006-0041, the County will act as the permitted Distributor until such time as the Users establish the Las Palmas Ranch Irrigation Association. Attachment A provides a CSA 72 Boundary Map for reference.

In Fiscal Year (FY) 2019/20, CRWQCB notified the Resource Management Agency (RMA) of CSA 72 compliance violations for recycled water use reporting, outdated Title 22 Report of Wastewater Discharge (ROWD), backflow and cross-contamination prevention, and groundwater monitoring.

In March 2020, RMA staff requested support from the Budget Committee (BC) and recommended approval from the Board of Supervisors (BOS) to amend the FY 2019/20 Adopted Budget for CSA 72 to increase appropriations by \$31,425 for County staff to accomplish these tasks. The BC and BOS supported and adopted a resolution for the budget appropriation and staff began rectifying these violations. This effort included establishing self-reporting criteria from the HOAs that the County will use to create the mandated quarterly water use reports, installing up-to-date signage, and coordinating with other agencies, such as Cal-Am and CRWQCB. Staff spent approximately \$18,000 of the approved increased budget appropriation last fiscal year. Optimally, the remaining tasks to achieve compliance will be completed by the end of FY 2020/21. Remaining tasks include: implementation of comprehensive recycled water use reporting, engaging consultants to update the Title 22 ROWD and to install necessary sewer flow meters, establishing backflow and cross-contamination testing protocols, groundwater well sampling and testing, and program management. The estimated cost for this additional work, \$64,709, was not anticipated nor included in the FY 2020/21 CSA 72 Adopted Budget, necessitating this request that the Board of Supervisors adopt a resolution to amend the budget to increase appropriations by \$64,709 for staff time and consultant costs to accomplish tasks necessary to comply with

state regulations. The total project cost is estimated at \$82,709.

Upon achieving full compliance, RMA will assist the CSA 72 HOAs with formation of the Irrigation Association. This Association, when established, will act as the permit holder for the distributor master reclamation requirements, releasing the County from this responsibility and associated costs.

OTHER AGENCY INVOLVEMENT:

CRWQCB is the regulatory agency responsible for issuing permits and ensuring compliance for CSA 72's wastewater reclamation plant operations and use of recycled water. The BC supported staff's recommendation at their meeting on August 26, 2020.

FINANCING:

As of June 30, 2020, CSA 72-Las Palmas Unassigned Fund Balance has \$151,496 available to finance the requested appropriations increase. The FY 2020/21 CSA 72-Las Palmas Adopted Budget allocates \$20,000 for expenditures. If approved, the recommended action will increase appropriations for FY 2020/21 CSA 72-Las Palmas Adopted Budget, Fund 091, Appropriation Unit RMA087, by \$64,709 for a total of \$84,709, financed by Fund 091, Unassigned Fund Balance, Account 3101, to cover additional staff time and consultant costs to accomplish tasks necessary to rectify the compliance violations. With projected revenue of \$5,724, CSA 72, Fund 091, will have an estimated ending fund balance of \$72,511. Attachment B provides the CSA 72 Financial Summary for Fiscal Year Ending 06/30/21.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This recommendation supports the Board of Supervisors' Administration Strategic Initiative by ensuring accurate, timely, and transparent fiscal accounting while enabling the RMA to comply with regulatory permits in the provision of essential public services.

☐ Economic Development
☒ Administration
☐ Health & Human Services
☐ Infrastructure
☐ Public Safety

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Approved by: Shawne Ellerbee, Assistant Director of Resource Management Agency

Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A-LAFCO CSA 72 Boundary Map

Attachment B-CSA 72 Financial Summary for Fiscal Year Ending 06/30/21

Attachment C-Draft Resolution

(Attachments are on file with the Clerk of the Board)