



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 26-077

June 23, 2026

Introduced: 5/21/2026

Current Status: Agenda Ready

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Matter Type: BoS Resolution

Adopt a Resolution to:

- a. Conduct a Public Hearing to hear protest or opposition against the proposed annual assessment by County Service Area 17-RanchoTierra Grande (CSA 17) parcel owners pursuant to Proposition 218 requirements. Said annual assessments as provided in Appendix E of the April 2026 Engineer's Report for the CSA 17, per Equivalent Dwelling Unit (EDU) methodology to take effect in Fiscal Year 2026-27, with subsequent annual increases corresponding with Engineering News-Record's San Francisco Construction Cost Index;
- b. Direct the Clerk of the Board, or designee, to tabulate and certify protest received before the conclusion of the public hearing;
- c. Determine if a majority protest exists, or if no majority protest exists;
- d. If a majority protest exists, no annual assessment shall be imposed for the Fiscal Year 2026-27 annual property tax bill; and
- e. If no majority protest exists, adopt a Resolution (Attachment A) approving the annual assessments proposed for CSA 17.

RECOMMENDATION:

It is recommended that the Board of Supervisors, acting on behalf of County Service Area 17 - Rancho Tierra Grande (CSA 17):

- a. Conduct a Public Hearing to hear protest or opposition against the proposed annual assessment by County Service Area 17-RanchoTierra Grande (CSA 17) parcel owners pursuant to Proposition 218 requirements. Said annual assessments as provided in Appendix E of the April 2026 Engineer's Report for the CSA 17, per Equivalent Dwelling Unit (EDU) methodology to take effect in Fiscal Year 2026-27, with subsequent annual increases corresponding with Engineering News-Record's San Francisco Construction Cost Index;
- b. Direct the Clerk of the Board, or designee, to tabulate and certify protest received before the conclusion of the public hearing;
- c. Determine if a majority protest exists, or if no majority protest exists;
- d. If a majority protest exists, no annual assessment shall be imposed for the Fiscal Year 2026-27 annual property tax bill; and
- e. If no majority protest exists, adopt a Resolution (Attachment A) approving the annual assessments proposed for CSA 17.

SUMMARY:

County Service Area 17 - Rancho Tierra Grande (CSA 17) does not have an established annual assessment, which is the conventional funding method for County Service Areas in the County of

Monterey. The average revenue for the CSA for the past five years is approximately \$15,000, with current revenue trending between \$18,000 to \$20,000 annually from AB 8 funds, interest earnings, and Homeowner's Tax Relief. This level of revenue is insufficient to sustainably fund annual maintenance, operations, and administrative costs, or to build adequate reserves for future capital and emergency repairs and replacement costs.

Public Works, Facilities and Parks (PWFP) retained Harris & Associates to prepare an Engineer's Report to determine a direct benefit assessment rate so that annual revenue is in line with annual cost associated with CSA 17 infrastructure. Based on the Board adopted April 2026 Engineer's Report (Attachment B), the annual parcel assessment shall range from \$298 to \$723 based on the Equivalent Dwelling Unit (EDU) methodology with subsequent annual increases corresponding with Engineering News-Record's San Francisco Construction Cost Index. Revenue from the assessment would support annual maintenance, operations and administrative cost, and the development of capital and emergency reserves needed to repair and replace infrastructure. This includes existing services for storm drain disposal, storm drainage maintenance and open space maintenance, along with the proposed addition of street maintenance.

Without an assessment, CSA 17 will be unable to adequately fund necessary maintenance, operations and administrative costs or build a reserve for future capital needs. As infrastructure continues to age and deteriorate, this may result in the need for General Fund loans to address repairs and replacement. Any such use of General Fund support would be considered a loan, as costs for services and infrastructure within a County Service Area must ultimately be funded by the benefiting parcels. Accordingly, any General Fund advances would need to be repaid from revenues generated through an approved funding mechanism, such as a Proposition 218 assessment.

DISCUSSION:

On January 21, 1963, the County of Monterey Board of Supervisors adopted Resolution No. 63-20 (Attachment C) establishing CSA 17 in Carmel's Mid-Valley area, north of the intersection of Tierra Grande Road and Carmel Valley Road and authorizing extended county services. On August 26, 1980, the County of Monterey Board of Supervisors adopted Resolution No. 80-20 (Attachment D) approving the annexation of the adjacent 33+/- acres Mercurio Subdivision, resulting in a total of 225 single family residences within CSA 17 (Attachment E). Senate Bill 1458, effective on January 1, 2009, assigns the Location Area Formation Commission (LAFCO) responsibility for determining the services and facilities authorized to be provided within a County Service Area. LAFCO resolution 09-17 identifies Parks & Recreation (Open Space), Storm Drain Maintenance and Surface Water Disposition as active CSA services as of December 7, 2009 (Attachment F).

PWFP retained Harris & Associates to prepare an Engineer's Report to determine the total assessable costs of infrastructure and allocate those costs among parcels within the CSA in proportion to the estimated benefits to be received. Assessable costs include the annual maintenance, operations and administrative expenses, as well as funding for capital and emergency reserves needed to repair and replace infrastructure. These costs cover existing services for surface water disposition, storm drain maintenance and open space maintenance, along with the proposed addition of street maintenance and annual operations and maintenance support. The recommended annual assessment will allow for an appropriate level of annual maintenance and an annual increase based on the

applicable Engineering News-Record's San Francisco Construction Cost Index, as described in the Engineer's Report.

On April 28, 2026, the Board of Supervisors adopted the Engineer's Report and the Resolution of Intention, setting the Public Hearing for June 23, 2026, as mandated by the Proposition 218 Majority Protest Process. The public hearing provides the community with the ability to express their views to the proposed annual assessment. However, a formal position of the assessment is established by completing and submitting the assessment ballot, to the Clerk of the Board prior to the close of the Public Hearing. A Notice of Public Hearing and Assessment Ballot are required to be mailed to property owners in CSA 17 not less than 45 (forty-five) days prior to the date of this public hearing and were mailed to property owners on May 7, 2026 (a sample notice and ballot is included as Attachment G).

The proposed annual assessment will only be implemented if, upon the conclusion of this public hearing, a majority of the weighted assessment ballots returned are not opposed to the new assessments. Only one (1) written protest will be counted for each property for purposes of determining if there is a majority protest. As set forth by the Proposition 218 Process, the assessment of ballot procedures are as follows:

1. The property owner of record must register their vote on the assessment ballot mailed to their property address either in favor or opposition to the proposed Assessment District by placing an "X" in the corresponding box.
2. Mark and sign the ballot in pen. Assessment Ballots received without a signature will not be counted.
3. Place the ballot in the pre-paid envelope provided and seal the envelope.
4. Assessment Ballots must be mailed or personally delivered to the County of Monterey Clerk of the Board, 168 West Alisal St. Salinas, CA 93901, and received prior to the close of the Public Hearing scheduled on Tuesday, June 23, 2026 at 1:30pm. Any ballots received after the close of the Public Hearing, whether by mail or in person, cannot be legally counted. **Postmarks will not be accepted.**
6. Following the close of the Public Hearing, the County Clerk of the Board or designee will tabulate the assessment ballots received. The ballots are weighted by the assessment amount for each property. Simplified, this means one vote per each dollar of assessment.
7. The Assessment District may be confirmed unless a majority of the weighted assessment ballots protest exists. A majority protest exists if, upon the close of the June 23, 2026 Public Hearing, a majority of the weighted assessment ballots returned are opposed to the new assessment, fifty percent (50%) plus one (1).
8. If a majority of the weighted assessment ballots protest exists based upon the value of the ballots received by the County Clerk of the Board prior to the close of the June 23, 2026 Public Hearing, the Assessment District will not be formed.

A Certification of Clerk of the Board and Statement of Ballot Tabulation form is presented in Attachment H.

OTHER AGENCY INVOLVEMENT:

The April 2026 Engineer's Report has been made available to all members of the public on the CSA

17 Rancho Tierra Grande webpage on the County of Monterey Department of Public Works, Facilities and Parks - Special Districts webpage, which directed interested parties to submit an email request to County staff to obtain a copy. A community meeting was held on September 25, 2025, with County staff available to provide additional information and answer questions. Additionally, Supervisor Daniel's District 5 office mailed letters to all parcel/lot owners emphasizing the importance of the election and solicited a sample ballot to get feedback from the community as to their support of the assessment. Staff has made themselves available to respond to community inquiries regarding the proposed assessment through the June 23, 2026 Proposition 218 election. County Counsel has reviewed and approved the report. Approved assessments must be delivered to the Auditor-Controller by August 3, 2026.

FINANCING

Funding to pay for CSA 17 services is limited to AB 8 revenue, interest on fund balance, and Homeowner's Tax Relief that currently provides approximately \$18,000 annually. This amount is insufficient to maintain infrastructure within CSA 17. The proposed assessments are needed to place annual revenue in line with annual costs to maintain CSA 17 infrastructure. Per the Engineer's Report, in the first year (tax year 2026-27), assessments are estimated to increase the CSA 17 revenue by \$157,924 and by approximately \$5,757,809 over the next 25 years.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This recommendation advances the Board's Strategic Plan Goals by promoting an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency by maintaining regular communication with the community to build/maintain trust, provide responsive customer service, and ensure the community recognizes the need for and can support rate increases to improve the fiscal sustainability and by providing increased funding for the continued maintenance and completion of capital improvement projects for infrastructure upgrades and meeting public safety standards.

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Dynamic Organization and Employer of Choice

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Reviewed by: Jessica Cordiero-Martinez, Finance Manager III
Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

Attachments:

- Attachment A - Resolution
- Attachment B - April 2026 Engineer's Report
- Attachment C - Resolution No. 23-60
- Attachment D - Resolution No. 80-20
- Attachment E - CSA 17 Boundary Map
- Attachment F - LAFCO Resolution 09-17
- Attachment G - Notice of Public Hearing and Sample Ballot

Attachment H - Certification of Clerk of the Board and Statement of Ballot Tabulation form