



# County of Monterey

**Item No.45**

## Board Report

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

**Legistar File Number: RES 26-062**

**April 28, 2026**

**Introduced:** 4/17/2026

**Current Status:** Public Works, Facilities &  
Parks - Consent

**Version:** 1

**Matter Type:** BoS Resolution

Adopt a Resolution to:

- a. Approve the Engineer's Report for County Service Area (CSA) No. 17 - Rancho Tierra Grande;
- b. Declare intent to set the CSA 17 annual assessments for each parcel as provided in Appendix E: Fiscal Year (FY) 2026-27 Assessment Roll, to take effect in FY 2026-27, with subsequent annual increases corresponding with the Engineering News Record's San Francisco Construction Cost Index; and
- c. Set a Public Hearing for June 23, 2026, at 1:30 p.m., to hold a Proposition 218 Election Protest Hearing for these property-related assessments in CSA No. 17 - Rancho Tierra Grande and direct the Department of Public Works, Facilities and Parks to publish notice of public hearing.

### RECOMMENDATION:

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

- a. Approve the Engineer's Report for County Service Area (CSA) No. 17 - Rancho Tierra Grande;
- b. Declare intent to set the CSA 17 annual assessments for each parcel as provided in Appendix E: Fiscal Year (FY) 2026-27 Assessment Roll, to take effect in FY 2026-27, with subsequent annual increases corresponding with the Engineering News Record's San Francisco Construction Cost Index; and
- c. Set a Public Hearing for June 23, 2026, at 1:30 p.m., to hold a Proposition 218 Election Protest Hearing for these property-related assessments in CSA No. 17 - Rancho Tierra Grande and direct the Department of Public Works, Facilities and Parks to publish notice of public hearing.

### SUMMARY:

County Service Area 17 - Rancho Tierra Grande (CSA 17) has not established an annual assessment, which is the conventional funding method for County Service Areas in the County of Monterey. Currently, CSA 17 receives approximately \$18,000 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 cost, or to build adequate reserves for future capital repairs and replacement costs.

Staff recommend establishing an annual parcel assessment ranging from \$298 to \$723 based on the Equivalent Dwelling Unit (EDU) methodology. The assessment would fund storm drainage and roadway infrastructure, as well as associated administrative costs, through the Proposition 218 process. 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 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 temporary, 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 A) 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 B) approving the annexation of the adjacent 33+/- acres Mercurio Subdivision, resulting in a total of 225 single family residences within CSA 17 (Attachment C). 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 D).

PWFP retained Harris & Associates to prepare an Engineer's Report (Attachment E) 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.

On September 25, 2025, PWFP held an in-person community meeting to present the Engineer's Report and respond to questions from the property owners. 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 will be available to respond to community inquiries regarding the proposed assessment through the June 23, 2026 Proposition 218 election.

As set forth by Proposition 218, local agencies are required to follow these steps:

1. Adopt a Resolution of Intention: Adopt a resolution (Attachment F) to approve the Engineer's Report, declare intention to set the annual assessment, and to set a date to hold a Majority Project Hearing. The Engineer's Report prepared by Harris & Associates is enclosed as Attachment E and is posted on the County's website.
2. Send Notice of Public Hearing (Attachment G) and Ballot (Attachment H): Develop a Notice of Public Hearing on the establishment of the CSA No. 17 annual assessment, prepare a Ballot and send both documents to the owner of record for each parcel 45 days

in advance of Public Hearing.

3. Collect and Tabulate Ballots: The County Clerk of the Board is to collect all ballots received through the close of the Public Hearing that is being scheduled on Tuesday, June 23, 2026 at 1:30 p.m. The ballots will be tabulated, and the results will be presented to the County Board of Supervisors later in the County Board of Supervisors meeting that day.
4. County Board of Supervisors Decision: If a majority of the submitted ballots endorse the establishment of the CSA No. 17 annual assessments, the County Board of Supervisors may elect to impose the new assessment.

Upon approval, the new assessments will be collected through the Monterey County Office of the Auditor Controller along with annual property tax bills effective in FY 2026-27.

OTHER AGENCY INVOLVEMENT:

The 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 website and a community meeting was held on September 25, 2025, with County staff available to provide additional information and answer questions. 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 No.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 No. 23-60

Attachment B - Resolution No. 80-20

Attachment C - CSA 17 Boundary Map

Attachment D - LAFCO Resolution 09-17

Attachment E - Engineer's Report

Attachment F - Resolution of Intention

Attachment G - Notice of Public Hearing

Attachment H - Sample Ballot