



Monterey County

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Budget Committee Report

Legistar File Number: BC 18-101

October 10, 2018

Introduced: 9/17/2018

Version: 1

Current Status: Agenda Ready

Matter Type: Budget Committee

Support authorizing the Auditor-Controller to amend the FY 2018-19 Boronda County Sanitation District - Zone 2 San Jerardo Adopted Budget, Fund 157, Appropriation Unit RMA046, to increase appropriations by \$182,670, financed by existing fund balance, for repairs to the San Jerardo water system control panel, fire pump, pump house, and perimeter fencing.

RECOMMENDATION:

It is recommended that the Budget Committee:

Support authorizing the Auditor-Controller to amend the FY 2018-19 Boronda County Sanitation District - Zone 2 San Jerardo Adopted Budget, Fund 157, Appropriation Unit RMA046, to increase appropriations by \$182,670, financed by existing fund balance, for repairs to the San Jerardo water system control panel, fire pump, pump house, and perimeter fencing.

SUMMARY/DISCUSSION:

The Boronda County Sanitation District - Zone 2 San Jerardo (BCSD - Zone 2 SJ) operates the water system that provides potable water to the residents of the San Jerardo Housing Cooperative, Inc. During a winter storm on February 17, 2017, severe winds caused a large eucalyptus tree to fall, resulting in damage to the water system control panel, fire pump, pump house, and perimeter fencing. A temporary bypass was set up to keep the water system functioning.

Based on a recommendation from MCSI, the contract water system operator, bids will be solicited for installation of a temporary control panel while the damaged control panel is removed for system testing and repair. The estimated cost to install a temporary system is \$19,000. A worst-case scenario cost estimate to rebuild and reinstall the permanent control panel is \$92,000; however, the costs could be less depending on the extent and severity of the damage to panel's components. Staff is preparing bid documents for completion of the permanent repairs.

The damaged fire pump is scheduled for a complete diagnosis (or diagnostics) to determine required repairs. Based on a preliminary assessment, only a new engine with an estimated cost of \$30,000 is needed. Should a full pump replacement be required, the vendor provided a budgetary estimate of \$65,000. Additionally, minor repairs of the pump house exhaust system and roof, and perimeter site fencing are required.

RMA submitted a request for reimbursement to the Federal Emergency Management Agency (FEMA) for the damages to the water system equipment and accessory structures. However, only \$609 was approved for payment by FEMA due to insurance coverage by the California State Association of Counties-Excess Insurance Authority. Monterey County has subsequently submitted a

claim to the County's insurance carrier. The tree that caused the damage was on property owned by the San Jerardo Cooperative, Inc. (Co-op) property. A claim will also be submitted to the Co-op's insurer for damages. The San Jerardo Cooperative, Inc. (Co-op) recently received approval by the State Waterboard to take ownership of the water system based on review of their technical, managerial, and financial (TMF) capacity. Staff will work with Co-op management to determine if a portion of repairs not covered by insurance can be funded by the Co-op.

Due to inadequate funding levels in the BCSD - Zone 2 SJ fund, the Board of Supervisors approved a General Fund loan in FY 2017-18 in the amount of \$188,781 to fund the repairs. As they were not completed in FY 2017-18 as anticipated, a budget adjustment is now necessary to allocate a portion of the unused funds to the FY 2018-19 budget. Any insurance reimbursement will be applied to the outstanding General Fund loan.

OTHER AGENCY INVOLVEMENT:

RMA staff worked with the County Council-Risk Management to submit claims for reimbursement for the storm damage to the water system and accessory structures.

FINANCING:

The recommended action increases appropriations in Appropriation Unit RMA046 by \$182,670, funded by unassigned fund balance. Any unspent General Fund loan monies will be applied to the outstanding loan balance along with all insurance reimbursements.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Timely repair of County infrastructure is consistent with the Board's Administration, Infrastructure, and Public Safety strategic initiatives by providing for and ensuring safe, efficient, and sustainable physical infrastructure for Monterey County residents.

___ Economic Development
X Administration
___ Health & Human Services
X Infrastructure
X Public Safety

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

Attachments:

Attachment A - Boronda County Sanitation District - Zone 2 San Jerardo FY 2017-18 Budget

Attachment B - Boronda County Sanitation District - Zone 2 San Jerardo FY 2018-19 Budget