



## Legislation Details (With Board Report)

<b>File #:</b>	23-574	<b>Name:</b>	San Ardo Dist. Advance Funding Agreement
<b>Type:</b>	General Agenda Item	<b>Status:</b>	Passed
<b>File created:</b>	6/30/2023	<b>In control:</b>	Board of Supervisors
<b>On agenda:</b>	7/11/2023	<b>Final action:</b>	7/11/2023

**Title:** a. Approve and authorize the County Administrative Officer to execute an Amendment No. 1 to the Advance Funding Agreement between the County of Monterey and the San Ardo Water District (District) for funding of emergency repairs to the District’s Wastewater Treatment Facility incurred during the January to February 2023 atmospheric river storms in the amount up to \$1,187,500 effective from date of execution until all funds are repaid to the County; and  
b. Approve staff’s recommendation to utilize Strategic Reserve Funds in the amount up to \$1,187,500 for advance funding to the District for emergency repairs to the Wastewater Treatment Facility; and  
c. Approve request to increase appropriations financed by the general fund strategic reserve in the amount of \$1,187,500 in the FY 2023-24 Department of Emergency Management Adopted Budget 001-1040-DEM001-8588 (4/5ths vote required).

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report, 2. Advance funding agreement San Ardo Dist 071123, 3. Completed Board Order Item No. 41

Date	Ver.	Action By	Action	Result
7/11/2023	1	Board of Supervisors		

a. Approve and authorize the County Administrative Officer to execute an Amendment No. 1 to the Advance Funding Agreement between the County of Monterey and the San Ardo Water District (District) for funding of emergency repairs to the District’s Wastewater Treatment Facility incurred during the January to February 2023 atmospheric river storms in the amount up to \$1,187,500 effective from date of execution until all funds are repaid to the County; and  
b. Approve staff’s recommendation to utilize Strategic Reserve Funds in the amount up to \$1,187,500 for advance funding to the District for emergency repairs to the Wastewater Treatment Facility; and  
c. Approve request to increase appropriations financed by the general fund strategic reserve in the amount of \$1,187,500 in the FY 2023-24 Department of Emergency Management Adopted Budget 001-1040-DEM001-8588 (4/5ths vote required).

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve and authorize the County Administrative Officer to execute the Advance Funding Agreement between the County of Monterey and the San Ardo Water District (District) for funding of emergency repairs to the District’s Wastewater Treatment Facility incurred during the January to February 2023 atmospheric river storms in the amount up to \$1,187,500 effective from date of execution until all funds are repaid to the County; and
- b. Approve staff’s recommendation to utilize Strategic Reserve Funds in the amount up to \$1,187,500 for

advance funding to the District for emergency repairs to the Wastewater Treatment Facility; and

- c. Approve request to increase appropriations financed by the general fund strategic reserve in the amount of \$1,187,500 in the FY 2023-24 Department of Emergency Management Adopted Budget 001-1040-DEM001-8588 (4/5ths vote required).

SUMMARY:

In March of 2023 the Board of Supervisors approved an Advanced Funding Agreement between the San Ardo Water District and the County of Monterey Department of Emergency Management (DEM) for \$1,187,500 to cover repairs the District incurred in the January to February 2023 atmospheric river event. Due to delays and further storm events in March and ongoing, the project was delayed and anticipated to be completed in Fiscal Year 2023-24. Department of Emergency Management (DEM) is requesting to amend the Advance Funding agreement and request the Board of Supervisors to authorize a fund transfer of \$1,187,500 in Fiscal Year 2024, and an increase of DEM's Fiscal Year 2024 appropriations to cover the repairs no expenses have been incurred in FY 2022-23 and will not be reimbursed until FY 2023-24.

DISCUSSION:

The San Ardo Water District (District) provides water and wastewater services to the unincorporated San Ardo Community. During the January to February 2023 atmospheric river events, the wastewater treatment plant was damaged, requiring a need to transport wastewater by means of a tanker truck to another treatment facility. The transport of wastewater poses a public health and safety issue to the residents of the San Ardo community, due to the absence of a proper wastewater disposal system, and to the public at large who may live or work along the transportation route, in the event there is a crash or other event that could cause a spill of the wastewater which is considered a hazardous material. The District does not have sufficient funds to complete the emergency repairs needed to the wastewater treatment facility. The estimated cost for pumping and removal of wastewater to another treatment facility is \$5,000 per day. To date, the District has incurred \$339,219 in expenses for this activity which the State of California has agreed to provide to the District as part of the emergency response operations. Anticipated emergency repair costs are estimated to be \$1,187,500 and potentially reimbursable through the Federal Emergency Management Agency ("FEMA"), the California Disaster Assistance Act ("CDAA"), or other State of California resources, due to the federal and state proclamations of emergency and designation of the County of Monterey as eligible for the Public Assistance Program administered by FEMA.

Completing the necessary emergency repairs to the wastewater treatment facility will provide significant public benefits to the residents of San Ardo and broader County population by protecting their health, safety, welfare, and property. The District serves a historically underserved community in the County of Monterey and simply does not have the financial means to complete necessary emergency reports. Monterey County Board of Supervisors approved an Advanced Funding Agreement in March 2023, due to project delays the repairs are now anticipated to be completed in Fiscal Year 2024. Staff recommends the Board of Supervisors consider approve an amendment to the current Advance Funding Agreement between the County and the District to provide the funding necessary to complete emergency repairs to their wastewater treatment facility under the expectation that the District will seek reimbursement from FEMA, CDAA, or other State of California financial resources to repay the County in accordance with the amended Advance Funding Agreement.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office, the Office of the County Counsel, the San Ardo Water District, the County of Monterey Health Department, the County of Monterey Department of Emergency Management, and the State Office of Emergency Services are working together to identify a solution to assure residents in San Ardo

have access to a functioning wastewater treatment facility.

FINANCING:

The State Office of Emergency Services has provided financial assistance to the District in the amount of \$339,219 to fund necessary pumping and transport of the District's wastewater at a daily cost of \$5,000. If Staff's recommendation to execute an amendment to the approved Advance Funding Agreement, a payment advance in the amount up to \$1,187,500 will be made to the District in Fiscal Year 2023-24. The District will seek reimbursement for emergency repairs to their wastewater treatment facility from FEMA and State of California. The approval by the State of California and FEMA is contingent upon meeting various State and Federal requirements. As part of the Advance Funding Agreement the District will agree to adhere to those requirements with the understanding that reimbursement for emergency repairs is not guaranteed and the District will have to identify an alternative funding source to repay the County for advance payment.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Bonnie Perez, Finance Manager I, x1974

Approved by: Kelsey A. Scanlon, MS Director Department of Emergency Management, x1902

Approved by: Sonia M. De La Rosa, County Administrative Officer, x 5312

Attachments:

Attachment A: Advanced Funding Agreement San Ardo District