



County of Monterey

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

Board Report

File #: 13-0005, Version: 1

- a. Authorize the additional expenditure of \$58,000 from the County's Capital Projects Fund 402 to Aromas Water District to finalize preparations for the creation of an assessment district and conduct of a Proposition 218 majority protest procedure for the connection of Oak Ridge Mutual Water Company and portion of Via Del Sol Drive Area to the Aromas Water System;
- b. Authorize the RMA Director to execute an amendment No. 2 to Agreement with the Aromas Water District outlining the Agreement Terms for Funding of specified work and repayment via successful Proposition 218 Assessment District; and,
- c. Authorize, should Assessment District fail, the County funds provided to Aromas Water District will be deemed a County Contribution without repayment.

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Authorize the additional expenditure of \$58,000 from the County's Capital Projects Fund 402 to Aromas Water District to finalize preparations for the creation of an assessment district and conduct of a Proposition 218 majority protest procedure for the connection of Oak Ridge Mutual Water Company and portion of Via Del Sol Drive Area to the Aromas Water System;
- b. Authorize the RMA Director to execute an amendment No. 2 to Agreement with the Aromas Water District outlining the Agreement Terms for Funding of specified work and repayment via successful Proposition 218 Assessment District; and,
- c. Authorize, should Assessment District fail, the County funds provided to Aromas Water District will be deemed a County Contribution without repayment.

SUMMARY/DISCUSSION:

In April of 2010, the Board approved the expenditure of \$155,000 from the County's Capital Projects Fund 402 to Aromas Water District ("District") for preparation of an Engineer's Report to include surveying, engineering and design fees, Appraisers Fee, LAFCO Report Fee and Environmental Document costs for the connection of Oak Ridge Mutual Water Company and portion of Via Del Sol Drive Area to the Aromas Water System (the sum of \$7,500 was previously advanced under the authority of the CAO). On March 27, 2012, the Board approved an additional expenditure of \$50,000 to the District to proceed with the work, and the next steps towards creation of an assessment district and conduct of a Proposition 218 majority protest procedure. A copy of the Board Report from March 27, 2012 which sets forth the background for this matter is enclosed as Attachment A. Enclosed as Attachment B is the latest copy of the letter from the District requesting an additional \$58,000 in financial support in order to bring the project to the vote of the property owners and to obtain bond financing. Consistent with the prior agreement with the District, it is now necessary for the County to advance additional funds for these purposes. The District has indicated that these final steps can be accomplished for an additional amount not to exceed \$58,000.

As with the previously authorized advances, if an assessment district is successfully formed to implement this project the District will repay the total sum advanced (\$270,500). Should a majority protest occur, and the formation of a district fail, the County funds provided to the District will be deemed a County Contribution

without repayment. County Counsel has determined that: “The County of Monterey has a legitimate public purpose in the use of its funds for this purpose. The project will contribute to the public health, safety, and welfare by contributing to a project designed to provide potable water to certain County residents in a situation where those citizens do not have a reliable source of potable water.”

OTHER AGENCY INVOLVEMENT:

The RMA Director has been apprised of the additional expenditure of \$58,000 from the Capital Projects Fund, Fund 402 to provide to the District. County Counsel will assist the RMA Director in preparing an amendment to the existing Agreement between the County and the District for this additional funding.

FINANCING:

On December 11, 2012, the Board approved the recommended list of capital projects from the Capital Projects, Fund 402, which included the amending of the FY 2012-13 adopted budget. The additional requested funding of \$58,000 by the Aromas Water District was not known at the time Fund 402 was amended and therefore the \$58,000 was not included in the amended appropriation request. Staff is recommending that the \$58,000 needed by the District be taken out of the Document Imaging Microfilm Conversion project as this project has not yet begun whereas all of the other projects approved on December 11, 2012 are underway. If the Board approves the staff recommendation, then there are sufficient appropriations in the Capital Projects Fund, Fund 402, to provide for this \$58,000 expenditure of funds for the preparation of this critical work.

Prepared By: Shawne Ellerbee, Finance Manager III, (831) 755-4794

Approved by:

Robert K. Murdoch, P.E., Director of Public Works

Benny J. Young, RMA Director

Dated: January 7, 2013

Attachments: Attachment A - March 27, 2012 Board Report and Board Order; Attachment B - December 12, 2012 Letter from Aromas Water District

cc: Lew C. Bauman, County Administrative Officer
Michael J. Miller, Auditor-Controller