



# County of Monterey

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

## Board Report

---

**File #:** 13-0946, **Version:** 1

---

Adopt Resolution to:

- a. Approving Safe Drinking Water State Revolving Fund (SDWSRF) Funding Agreement No. SRF13P116 with the State of California Department of Public Health in the amount of \$440,000 for a Feasibility Study and Engineering Design of County of Monterey (San Lucas Water District) Project No. 2701676-007P to enhance the provision and protection of the municipal drinking water supplied to the consumers of the community of San Lucas; and
- b. Authorizing and directing the Director of the County of Monterey Resource Management Agency to sign the Agreement, including but not limited to Amendments, Certifications required by and for the Agreement, Claims for Reimbursement, the Budget and Expenditure Summary, the Contractor's Release Form, and the Certification for Project Completion.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors approve a Resolution:

- a. Approving Safe Drinking Water State Revolving Fund (SDWSRF) Funding Agreement No. SRF13P116 with the State of California Department of Public Health in the amount of \$440,000 for a Feasibility Study and Engineering Design of County of Monterey (San Lucas Water District) Project No. 2701676-007P to enhance the provision and protection of the municipal drinking water supplied to the consumers of the community of San Lucas; and
- b. Authorizing and directing the Director of the County of Monterey Resource Management Agency to sign the Agreement, including but not limited to Amendments, Certifications required by and for the Agreement, Claims for Reimbursement, the Budget and Expenditure Summary, the Contractor's Release Form, and the Certification for Project Completion.

**SUMMARY:**

The recommended actions will further the County's ongoing assistance to the San Lucas County Water District by accepting funding from the Safe Drinking Water Revolving Fund Program for the preparation of a feasibility study, planning, analysis and environmental review required to identify a feasible project and costs to replace the municipal water supply serving the community of San Lucas

**DISCUSSION:**

San Lucas is a small unincorporated community in southern Monterey County. The community water system is owned and operated by San Lucas County Water District (District). The community's water supply has been under a County Health Department-mandated "do not drink" order since March 15, 2011 because of elevated nitrate levels in its groundwater well.

The County has been assisting the District with water system improvements since 2004 and obtained over \$1,400,000 in grant funding from the Community Development Block Grant (CDBG) and U.S. Department of Agriculture (USDA) programs. Previously completed improvements to the municipal water system include replacement of an existing wooden water storage tank with a new steel tank, construction of new water mains to replace undersized mains improvements at the site of the existing water well to improve water quality.

In 2008 the water well that supplies the community began to experience increasing levels of Total Dissolved

Solids (TDS), and by 2010 these levels exceeded those allowed by State law. In 2011 the water being withdrawn from this well began to exceed the State-mandated contaminant level for nitrates. On March 15, 2011 the Monterey County Health Department Environmental Health Bureau (EHB) issued a “do not drink” order to all residents of the community of San Lucas, and directed the District to obtain a new source of supply that meets legal water quality standards. This order remains in effect.

On October 2, 2012 the Board of Supervisors approved an application to SDWSRF for a planning grant to study alternative solutions and select a preferred project to resolve the water quality issues, conduct environmental review, and prepare final engineering construction plans. CDPH will then consider awarding a separate construction funding grant to implement the project.

On August 12, 2013 CDPH sent a Notice of Acceptance of Application informing the County it would grant \$440,000 to the County for this purpose. The recommended actions will further the completion of the funding process, and enable implementation of the project planning activities.

OTHER AGENCY INVOLVEMENT:

The office of the County Counsel and the office of the Auditor-Controller have reviewed the Agreement and related documents.

On May 18, 2012 the California Central Coast Regional Water Quality Control Board (RWQCB) issued a Notice of Violation and Order for Information to H. Naraghi Farms, Inc., owner of the land upon which the Water District’s well is located, and Mission Ranches Co., LLC, the grower who manages the farming operation on this property, for contaminating the groundwater from which the Water District’s public water supply is drawn. Mission Ranches Co., LLC continues to provide bottled water to the community of San Lucas, to fully cooperate and comply with RWQCB’s requirements, and pursue options to provide an interim substitute water source for the District.

On September 18, 2012 the Board of Directors of the San Lucas County Water District approved a resolution authorizing the County to assist the District to improve its community water supply by seeking funding and, if funding is acquired, to prepare the necessary engineering and environmental studies and reports, acquire right-of-way, apply for permits, and, upon concurrence by District and EHB, design and construct a new municipal water supply project, all at no cost to the District. The District’s resolution also states the District’s intent to agree to accept ownership of the constructed improvements, and to operate and maintain said improvements at its sole cost, upon completion by the County of any system improvements authorized by the District after environmental review and compliance with the California Environmental Quality Act (CEQA) and CEQA Guidelines, and upon certification of completion and compliance with operational and health requirements by EHB.

FINANCING:

There is no impact to the general fund as a result of this action. Costs related to activities associated with the grant, including project review and oversight, are budgeted in the Resource Management Agency (RMA) Admin FY 2013-14 Adopted Budget 001-3000-8222-RMA013. There is no County match requirement for the grant. It is anticipated the grant will fully fund all activities of the project, including consultant and staff costs.

Prepared by: G.H. Nichols, PE, Civil Engineer

Approved by: Benny J. Young, Resource Management Agency Director

Attachments: Resolution  
Funding Agreement  
Notice of Acceptance of Application