

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

August 9, 2022

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

Budget Adjustment for the Chino Airport Groundwater Remedial Project

RECOMMENDATION(S)

1. Approve a budget adjustment to Capital Improvement Program Project No. 18-222, using \$15 million from the Chino Plume Needs Reserve for the Chino Airport Groundwater Remedial Project (WBSE 10.10.0556).
 2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments, as detailed in the Financial Impact Section (Four votes required).
- (Presenter: Matthew Erickson, County Chief Financial Officer, 387-5423)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES
Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The Board of Supervisors (Board) has currently allocated \$46 million of Discretionary General Funding for expenses associated with the groundwater investigation and remedial project, known as the Chino Airport Groundwater Remedial Action Project (Remedial Project), including \$21 million in a capital project budget and \$25 million set aside in the Chino Plume Needs Reserve (Reserve). In addition, the Board also contributed \$20 million of American Rescue Plan Act (ARPA) funds to partially fund the Remedial Project, resulting in a total allocation of \$66 million for this project.

A recommended use of \$15 million from the Reserve, which was approved by the Board on June 14, 2022 (Item No. 103), is needed sooner than anticipated for immediate costs for property acquisitions and consultant services. These known costs were initially planned to be funded with ARPA funds; however, it has been determined that ARPA funds are more suited to pay for future fiscal year construction costs associated with the project. As a result, it is recommended to use the Board-approved reserve for this year's project costs instead of future year construction costs. The overall current estimated cost of the project has not changed, but is expected to require additional funding in future years. The following budget adjustments are requested:

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Fund Center	Commitment /GL Account	Description	Action	Amount	WBSE
1000	37008760	Chino Plume Needs Reserve	Decrease	\$15,000,000	
1161161000	55305030	Operating Transfers Out	Increase	\$15,000,000	
7700003100	40909975	Operating Transfers In	Increase	\$15,000,000	10.10.0556
7700003100	54104010	Improvements to Land	Increase	\$15,000,000	10.10.0556

BACKGROUND INFORMATION

San Bernardino County (County), under order from the Santa Ana Regional Water Quality Control Board, is in the process of implementing an Interim Remedial Action Plan for groundwater contaminated with volatile organic compounds (VOCs) proximate to its County-operated Chino Airport. The preferred remedial alternative includes treatment and control measures to clean up the contaminated groundwater, including a pump, treat system, and institutional controls. The remedial plan will reduce toxicity, mobility, and volume in contaminated groundwater, and is most likely to prevent future impacts to downgradient and off-site groundwater resources.

On June 14, 2022 (Item No. 103), as part of the County's 2022-23 Budget, the Board approved the Chino Plume Needs General Fund Reserve in the amount of \$25 million to fund future costs associated with the Remedial Project that were anticipated to begin in 2024-25. However, there is an immediate need to fund costs in the amount of \$15 million, which are within the current total estimated project costs. This will provide the funding for costs related to property acquisitions for easements associated with five well sites, consulting services for technical assistance of the Remedial Project, and ongoing construction costs after ARPA funds have been expended. Significant additional one-time expenses are still anticipated in future years.

Approval of this recommendation aligns with the County and the Chief Executive Officer's goal and objective to operate in a fiscally-responsible and business-like manner and will allow the County to stay in compliance with the Clean-up and Abatement Orders issued by the Santa Ana Regional Water Quality Control Board.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Kristina M. Robb, Principal Assistant County Counsel, 387-5455) on July 26, 2022; Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Deputy Chief Controller, 387-5669) on July 7, 2022; Finance (Yael Verduzco, Principal Administrative Analyst, 387-5285, and Carl Lofton, Administrative Analyst, 387-5404) on June 27, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on June 27, 2022.

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Project
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Dawn Rowe Seconded: Col. Paul Cook (Ret.)

Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 9, 2022



cc: File- Administrative Office
LA 08/12/2022