

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
SITTING AS THE GOVERNING BOARD FOR THE FOLLOWING:
SAN BERNARDINO COUNTY
BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

May 23, 2023

FROM

**LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office
BRENDON BIGGS, Director, Department of Public Works – Special Districts**

SUBJECT

Capital Improvement Program for County Service Area 70 F Morongo Valley – Water Tank Replacement Project

RECOMMENDATION(S)

1. Acting as the governing body of County Service Area 70 F - Morongo Valley:
 - a. Approve the Capital Improvement Program for County Service Area 70 F Morongo Valley – Water Tank Replacement Project, in the amount of \$600,000.
 - b. Approve Contract No. 23-442 between San Bernardino County and County Service Area 70 F Morongo Valley for the transfer of funds, as a forgivable loan from American Rescue Plan Act funding, for eligible costs and expenditures in the not-to-exceed amount of \$600,000 for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project.
 - c. Authorize the Auditor-Controller/Treasurer/Tax Collector to post a budget increase in the amount of \$600,000, as detailed in the Financial Impact section, for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project (Four votes required).
2. Acting as the governing body of San Bernardino County:
 - a. Approve the use of \$600,000 of American Rescue Plan Act funding for eligible costs associated with the County Service Area 70 F Morongo Valley – Water Tank Replacement Project.
 - b. Approve **Contract No. 23-442** between San Bernardino County and County Service Area 70 F Morongo Valley for the transfer of funds, as a forgivable loan from American Rescue Plan Act funding, for eligible costs and expenditures in the not-to-exceed amount of \$600,000 for the County Service Area 70 F Morongo Valley – Water Tank Replacement Project.

(Presenter: Leonard X. Hernandez, Chief Executive Officer, 387-4811)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Capital Improvement Program for County Service Area 70 F Morongo Valley - Water Tank Replacement Project
May 23, 2023

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). San Bernardino County received a direct allocation of \$423.5 million under the American Rescue Plan Act (ARPA) – Coronavirus Local Fiscal Recovery Fund (CLFRF) to bolster the County's response to the COVID-19 pandemic and its economic impact. The Board of Supervisors (Board) approved an expenditure plan for the use of these funds, known as the County Local Fiscal Recovery Spending Plan (Spending Plan), on June 8, 2021 (Item No. 121) and amended the plan on August 24, 2021 (Item No. 21).

The County Service Area (CSA) 70 F Morongo Valley – Water Tank Replacement Project (Project) in the amount of \$600,000 is approved to proceed with funding from the Third District's ARPA CLFRF allocation. The funding will consist of a forgivable loan that will need to be repaid by CSA 70 F Morongo Valley (District) if the Project is completed before December 31, 2024.

To proceed with the Project, the District is requesting the following 2022-23 budget adjustments:

Fund Center	Commitment Item	Description	Action	Amount
1350004638	54304030	Structures and Improvements	Increase	\$ 580,000
1350004638	55405010	Salary and Benefits - Transfers Out	Increase	\$ 20,000
1350004638	40509194	ARPA Recovery Fund Distribution	Increase	\$ 600,000

The Project has not been included in the District's 2023-24 Recommended Budget. A future item to increase the District's budget will be submitted for Board approval as necessary.

BACKGROUND INFORMATION

The District provides for the operation and maintenance of 88 water connections, maintains three wells, one booster station, and a reservoir (water tank) that stores approximately 260,000 gallons of water. As part of ongoing maintenance to ensure continuous operations of the water system, it was determined that replacement of the District's water tank was necessary due to significant leaks that have occurred since 2019, resulting from heavy interior corrosion. The most recent leak investigation determined that the District's water tank condition is fragile and at risk of potential failure. The water tank is the only source of potable water available to residents of Morongo Valley, further necessitating the need for a new tank.

The Project is to include the replacement of an existing 260,000-gallon potable water tank, and its appurtenances, to help alleviate future maintenance costs and continue to provide safe drinking water to the District's customers.

The Department of Public Works – Special Districts (Department) is seeking Board approval of the Project, its related budget adjustments, and a contract between San Bernardino County and the District for a forgivable loan from ARPA CLFRF funding for eligible Project costs in the not-to-exceed amount of \$600,000.

PROCUREMENT

The Department will return to the Board for approval of the Project's plans and specifications and authorization to advertise for competitive bids, which is anticipated to occur in Spring 2024.

**Capital Improvement Program for County Service Area 70 F Morongo
Valley - Water Tank Replacement Project
May 23, 2023**

REVIEW BY OTHERS

This item has been reviewed by Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on April 17, 2023; County Counsel (Julie Surber, Principal Assistant County Counsel, and Aaron Gest, Deputy County Counsel, 387-5455) on May 3, 2023; Finance (Tom Forster, Administrative Analyst, 387-4635, and Guy Martinez, ARPA Compliance Officer, 387-5428) on May 5, 2023; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 7, 2023.

**Capital Improvement Program for County Service Area 70 F Morongo
Valley - Water Tank Replacement Project
May 23, 2023**

Record of Action of the Board of Supervisors
Board Governed County Service Areas
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Col. Paul Cook (Ret.)

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 23, 2023



cc: CAO - Erickson w/ agree
Contractor c/o CAO w/ agree
File - w/ agree
JLL 05/26/2023