

MONTEREY COUNTY

PUBLIC WORKS, FACILITIES & PARKS

Randell Ishii, MS, PE, TE, PTOE, Director

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MEMORANDUM

Date: December 22, 2022

To: Mike Zeller, Director of Programming & Project Delivery
Transportation Agency for Monterey County (TAMC)

From: Randy Ishii, MS, PE, TE, PTOE; Director of Public Works, Facilities and Parks
Monterey County Department of Public Works, Facilities and Parks

Subject: Measure X Master Programs Funding Agreement – Annual Report for December 31, 2022

Pursuant to “Article IV: Reporting Requirements” of the *Measure X Master Programs Funding Agreement*, please find the attached documents to confirm compliance with the tax sharing agreement. This submittal is for the annual report due December 31, 2022.

Please do not hesitate to contact me at (831) 784-5647, or other Public Works or Finance staff at (831) 755-4800, should you have any questions.

Attachments: Attachment A – Annual Program Compliance Report
Attachment B – Annual Independent Audit
Attachment C – Measure X Five Year CIP
Attachment D – Pavement Management Report
Attachment E – Maintenance of Effort Report (Note: Integrated into Annual Independent Audit, not a separate report)

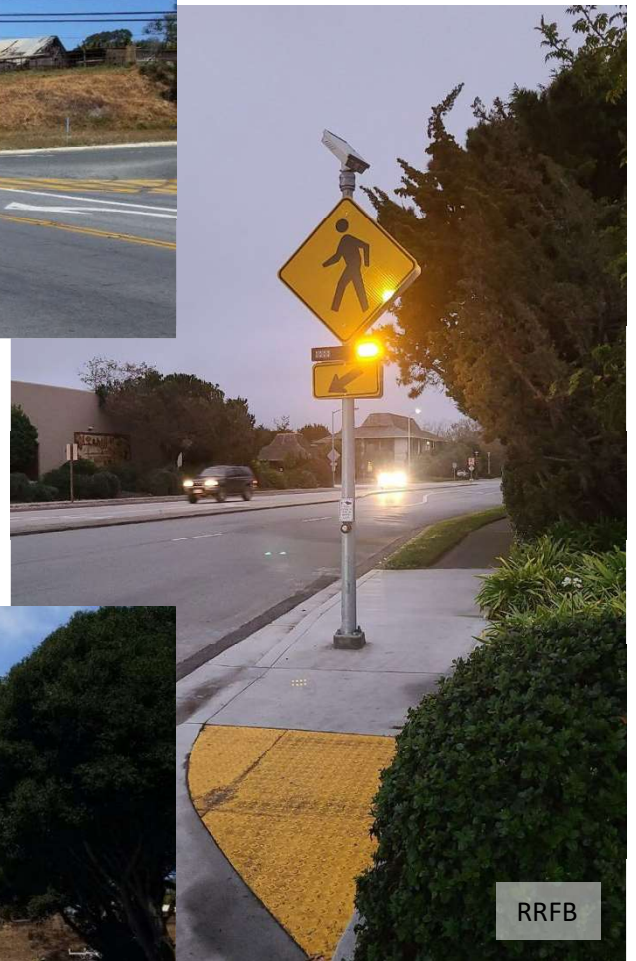
ANNUAL PROGRAM COMPLIANCE REPORT - MEASURE X
COUNTY OF MONTEREY
FISCAL YEAR 2021-22

REVENUE	
Carryover from Previous Year	\$ 15,916,415
Measure X Revenue	\$ 9,713,922
1st Quarter 2021-22	\$ 2,395,067
2nd Quarter 2021-22	\$ 2,514,234
3rd Quarter 2021-22	\$ 2,210,521
4th Quarter 2021-22	\$ 2,594,101
Earning on Interest	\$ 85,927
TOTAL REVENUE	\$ 25,716,268
EXPENDITURES	
1145 COUNTYWIDE SIGNAGE & STRIPING AUDIT	23,226
1148 PEDESTRIAN BEACON PROJECT	174,134
1152 COOPER ROAD RECONSTRUCTION	259,953
1159 OLD STAGE RD REHABILITATION	1,681,051
1162 RIVER RD REHABILITATION	21,287
1168 RIVER RD RECONSTRUCTION	19,630
1169 MURPHY RD RECONSTRUCTION PROJECT	89,690
1171 COMMUNITY STREET REPAIR CASTROVILLE	145,434
1172 HUNTER LANE RECONSTRUCTION PROJECT	53,474
1175 SALINAS AND PAJARO RD PROJECT	275
1176 PRUNEDALE ROUNDABOUT	275
1723 LAS LOMAS DRAINAGE PROJECT	439,069
2202 NACIMIENTO LAKE DRIVE BRIDGE NO. 449	579,438
3851 ROBINSON CANYON ROAD BRIDGE SCOUR REPAIR	237,455
3853 GONZALES RIVER ROAD BRIDGE SUPER STRUCTURE	165,611
3854 HARTNELL ROAD BRIDGE REPLACEMENT	99,891
3855 JOHNSON ROAD BRIDGE REPLACEMENT	41,376
3857 MONTE RD BRIDGE 135 - PAINT STEEL GIRDER	9,345
611089 ECHO VALLEY ROAD AT MP 2.05 - REPAIR AND	177,164
8652 LITTER ABATEMENT PROGRAM	60,603
8668 MONTEREY BAY SANCTUARY TRAIL	127,659
621082 TORO ROAD AT MP 0.1	137,215
621095 CVIEJO ROAD - SHOULDER & ASPHALT REPAIR	90,736
	\$ 4,633,993
FUND BALANCE, END OF PERIOD	\$ 21,082,275

Project Report for Measure X Expenditures FY 22

1. Pedestrian Beacon Project \$174,134

The project installed pedestrian crossing with Rectangular Rapid Flashing Beacons (RRFB's) on Rio Road/Via Nona intersection in Carmel and on Castroville Blvd/Elkhorn Rd intersection near Prunedale. The project enhanced safety at these two pedestrian crossings by providing a more visible crosswalk, advance warning signs, and flashing beacons to alert motorists of pedestrians crossing the road. The project was mainly funded by the Highway Safety Improvement Program (HSIP) and Measure X as a local match.



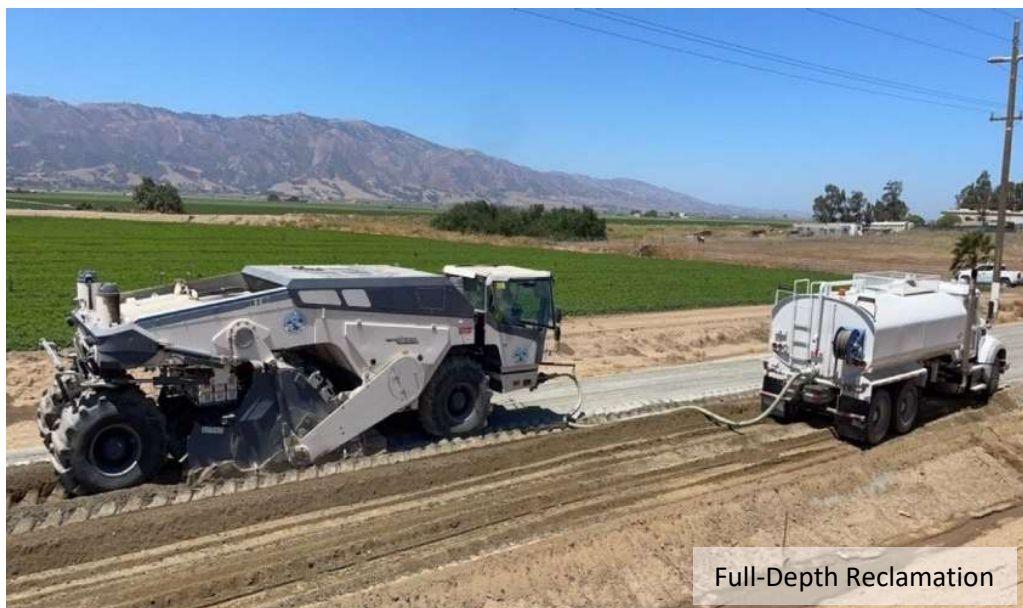
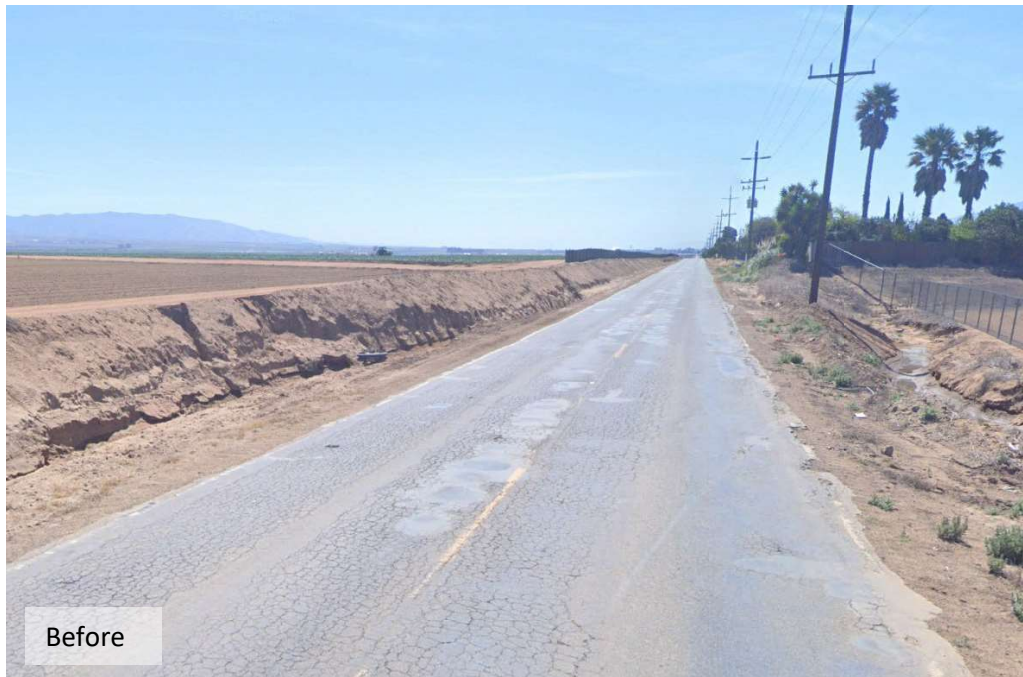
2. Cooper Road Reconstruction \$259,953

The purpose of the project is to provide a new pavement surface on Cooper Road, from Blanco Road to State Route 183, near the City of Salinas. This was a Measure X priority project. Since there is very minimal road base on Cooper Road, the project will reconstruct the road by pavement recycling technique known as full-depth reclamation. This involves pulverizing the existing pavement, mixing it with cement, and rolling/compacting. This will serve as new road base layer where hot mix asphalt will then be placed on top to provide the new pavement surface. Construction is scheduled to begin in Fiscal Year FY2022/23.



3. Old Stage Road Rehabilitation (Buffalo Ranch to Iverson Rd)
\$1,681,051

The project reconstructed Old Stage Road, from the Buffalo Ranch to Iverson Road, near the City of Gonzales. This was part of a Measure X priority project. A pavement recycling technique was used where the existing pavement was pulverized, mixed with cement, and rolled/compacted and served as the new road base layer. Hot mix asphalt was then placed on top, providing the new pavement surface. The project also rehabilitated the existing drainage within the project area. This involves flushing existing culverts, re-establishing drainage ditches, and replacing damaged culverts. Construction was completed in June 2022.





Hot mix asphalt paving



Finished pavement

**4. Murphy Road Reconstruction (San Juan Rd to Santa Cruz County Line)
\$89,690**

The purpose of the project is to provide a new pavement surface on Murphy Road, from San Juan Road to Santa Cruz County Line, near the City of Watsonville. Since there is very minimal road base on Murphy Road, the project will reconstruct the road by pavement recycling technique known as full-depth reclamation. This involves pulverizing the existing pavement, mixing it with cement, and rolling/compacting. This will serve as new road base layer where hot mix asphalt will then be placed on top to provide the new pavement surface. Construction is scheduled to begin in Fiscal Year 2022/23.



Existing condition



Numerous patches of cold mix asphalt

**5. Community Street Repairs (Community of Castroville)
\$145,434**

This project is part of the Measure X Community Street Repair program for various communities, part of the program identified as a top priority under the Measure X program. The project is to resurface various streets in the community of Castroville, between Crane Street to Speegle Street and Merritt Street to Geil Street, approximately 6 neighborhood blocks. The project consisted of repairing numerous pot holes, leveling/grinding the existing pavement, and placing down slurry seal. The project also involved constructing new sidewalks and ADA ramps. Construction is scheduled to be complete in Fiscal Year 2022/23.





Repair of failed areas



Slurry Seal application



Finished street & reconstructed sidewalk/ADA ramp

6. Las Lomas Drainage
\$439,069

The Las Lomas Community has dealt with periodic localized flooding along Las Lomas Drive for years. The Project consists of the installation of new storm drainage infrastructure, pavement reconstruction, and utility relocations to allow space for the new storm drain system. Given the complexity of the Project, it was divided into sections. The first section was completed in 2016 and consisted of replacing the large diameter culvert under Hall Road. The current phase is from Sill Road to Thomas Road. The project is funded by County General funds and Measure X funds. Construction is expected to be complete in Fiscal Year 2022/23.



Flooding during winter Storm Event



Dual 48-inch pipes

Wednesday, July 27, 2022
36.8666N 121.7335W
19B Las Lomas Drive
Las Lomas
Monterey County
California



Winterization of project site

**7. Nacimiento Lake Drive Bridge Replacement
\$579,438**

The project is located on Nacimiento Lake Drive approximately seven miles southwest of the community of Bradley in southern Monterey County. The project consists of replacing the existing seismically deficient one-lane bridge with a new two-lane bridge, in different alignment. The existing will be replaced with a structure that met current California Department of Transportation (Caltrans) seismic standards. The project is primarily funded by FHWA HBP with Measure X funds as a local match. The project is scheduled to be complete in Fiscal Year 2023/24 with the removal of the deficient bridge.



Existing bridge





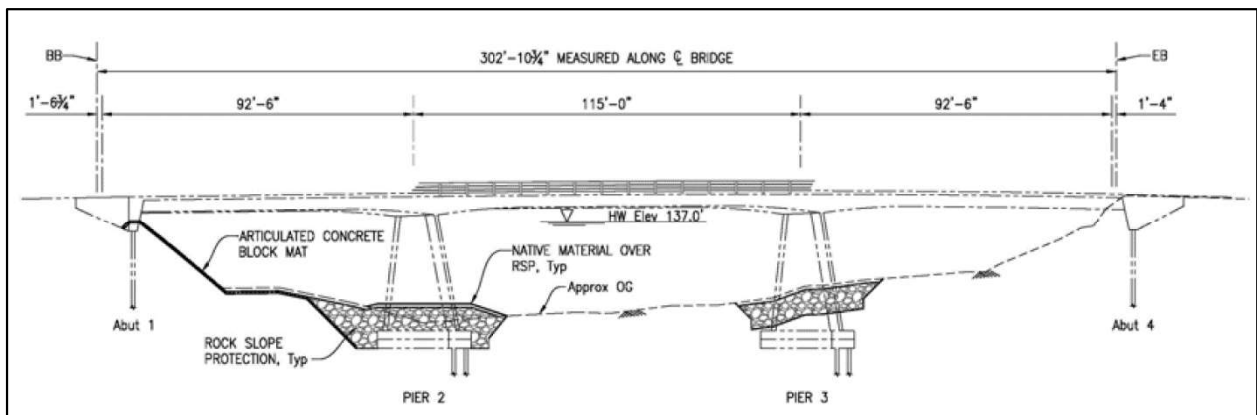
Setting of rebar cage for pier



Abutment for new bridge

8. Robinson Canyon Road Bridge Scour Repair
\$237,455

The bridge is located less than a mile south of Carmel Valley Road on Robinson Canyon Road. The project is to address scour on the substructure of the existing bridge by placing rock slope protection along the abutment and piers of the bridge. The project is in the final stages of design and acquiring regulatory permits. The project is funded primarily with FHWA and Measure X funds as local match. Construction is tentatively schedule for Fiscal Year 2023/24.



Proposed plan

**9. Gonzales River Road Bridge Replacement (Superstructure)
\$165,611**

The project proposes to replace the existing superstructure of the Gonzales River Road bridge over the Salinas River. The existing bridge is a multi-span bridge that is 1660 feet long and 20 feet wide. The project will replace the existing superstructure that will be 1661 feet and 44 feet wide. The existing substructure that was retrofitted in 2002 will remain in place. The project is mainly funded by FHWA HBP and Measure X as the local match. The project is in the preliminary engineering and environmental documentation phase. Construction is expected to be in Fiscal Year 2026/27.



Existing bridge
superstructure



Existing bridge foundation

10. Hartnell Road Bridge Replacement
\$99,891

The project is to replace the existing Hartnell Road bridge with a new bridge structure that is to meet current California Department of Transportation (Caltrans) seismic standards. The bridge is located on Hartnell Road, approximately 1.3 miles north of US Highway 101, near the City of Salinas. The project is mainly funded by FHWA HBP grant funds and Measure X funds as local match. Construction is scheduled to be complete in Fiscal Year 2022/23.



Previous bridge/box culvert



Form work for new bridge

11. Echo Valley Road Drainage Repair (MP 2.0)
\$177,164

The project is to repair the existing roadside drainage on Echo Valley Road at milepost 2.0, located near the community of Prunedale. This drainage was damaged during the 2017 winter storm. The project consists of stabilizing eroded slopes, re-establishing drainage ditches, and installing pipe inlets. The project is FEMA grants and Measure X. Construction is scheduled to be complete in Fiscal Year 2022/23.



Flooding during winter storm event



Installation of culvert pipe

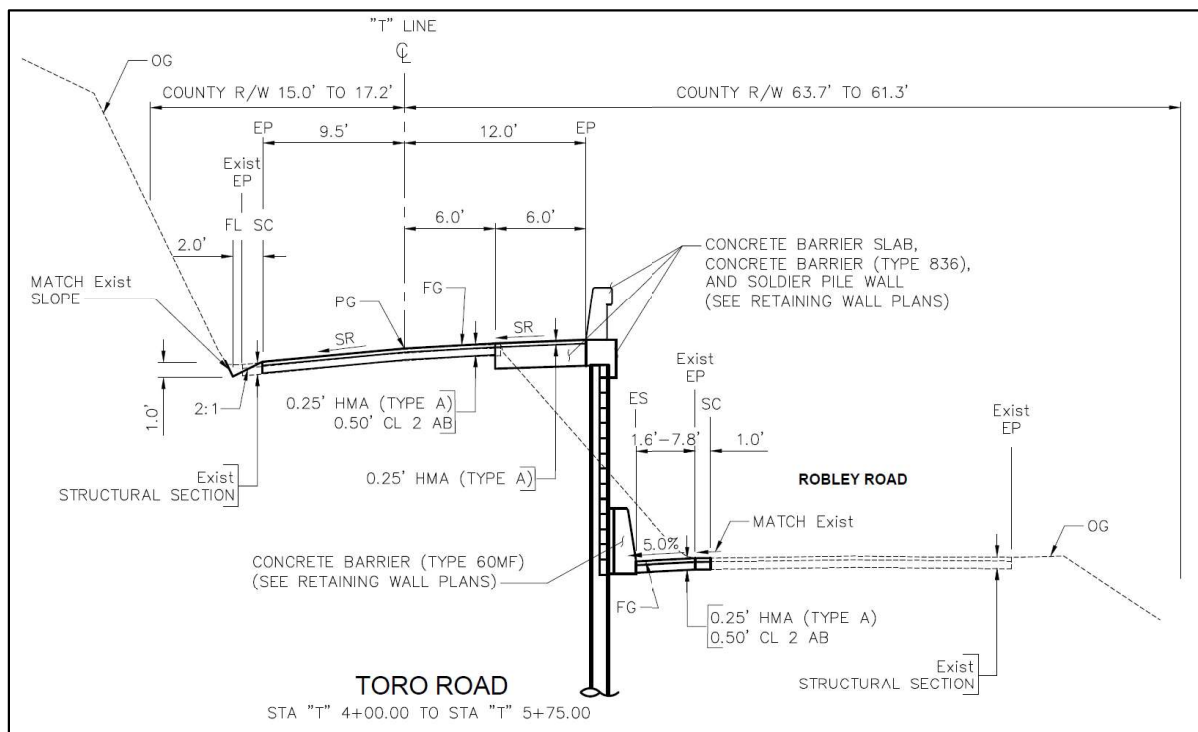
12. Toro Road Storm Damage Repair
\$137,215

The project is to repair a section of Toro Road that was damaged during the 2017 winter storm event. Approximately 160-foot section of the road has been undermined. The repair involves constructing a retaining wall to support the road, including installation of guardrail/barrier and minor paving. The project is funded by FEMA and Cal OES grants, and Measure X as local match. Construction is scheduled to begin in Fiscal Year 2022/23.



Slope failure with pieces of pavement falling onto adjacent road

Proposed Plan

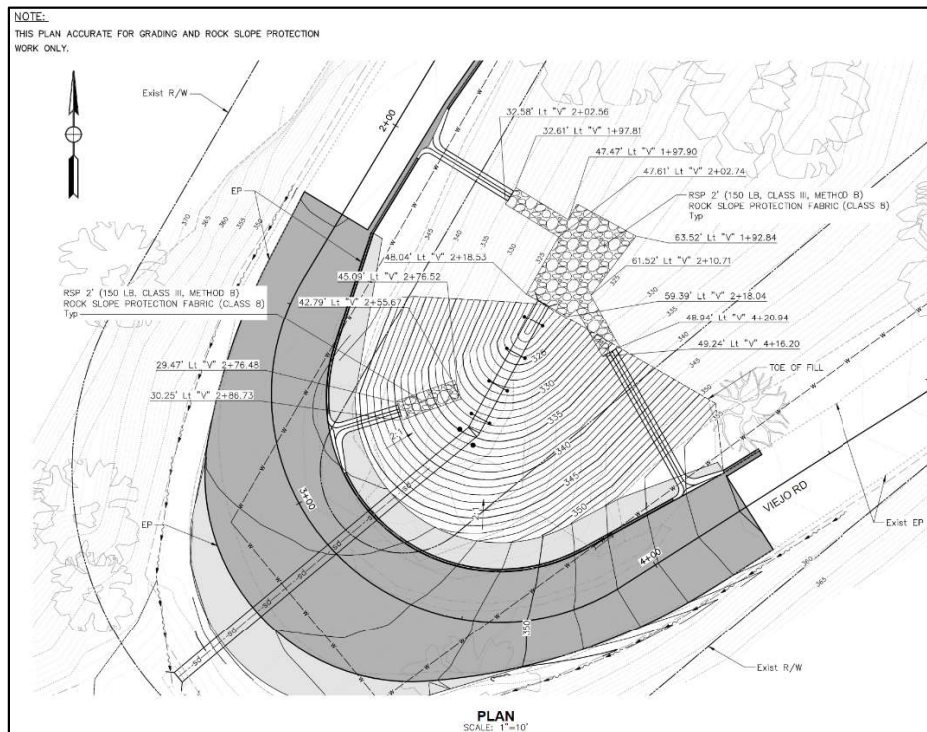


13. Viejo Road Storm Damage Repair
\$90,736

The project is to repair a slipout section of Viejo Road that occurred during the 2017 winter storm event. The repair involves stabilizing the slope with rock slope protection, culvert drainage installation and minor paving. The project is in the final stages of design and acquiring permits and easements. The project is funded by FEMA and Cal OES grants, and Measure X as local match. Construction is scheduled to begin in Fiscal Year 2023/24.



Slope failure with pieces of pavement falling down slope



Proposed Plan

14. Countywide Signage and Striping Audit

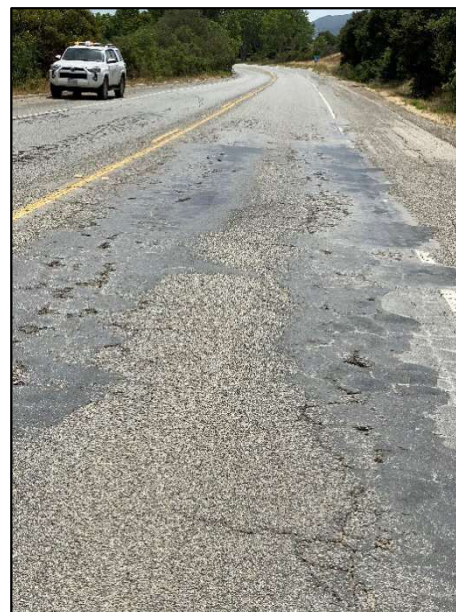
\$23,226

The project is based on a Roadway Safety Signage and Striping Audit (RSSA) that was funded by a Highway Safety Improvement Program (HSIP) grant. The County was awarded a Highway Safety Improvement Program (HSIP) grant in amount of \$3,222,200 by the California Department of Transportation (Caltrans). The study evaluated approximately 250 miles of County roads throughout the County, and made various recommendations. These recommendations are being implemented in the construction phase. The construction phase of this project, in general, consists of striping 39 miles of county roads at various locations throughout the county (with no passing zone detail 22 where warranted) and replacing existing signs, relocating existing signs, and installing new signs as identified in the project plans to meet current State standards (the California Manual of Uniform Traffic Control Devices, or CA-MUTCD). The project is mostly funded with HSIP funds and the Measure X funds will provide the required local match.

15. River Rd Rehabilitation (Portola Dr to Las Palmas Pkwy)

\$21,287

The project rehabilitated River Road from Portola Drive to Las Palmas Parkway, near the City of Salinas. The existing pavement was recycled in place and was used as base for the new roadway, utilizing a “Green” technology known as Full-depth Reclamation. The roadway was then paved with hot-mix-asphalt. Project also included vegetation clearing and rehabilitating the existing drainage. River Road is part of the Wine Corridor that stretches from Salinas down to Greenfield. River Road is part of the list of roads to be completed under the Measure X program. Construction was completed in December 2020.



Before



After

16. River Rd Reconstruction (Limekiln Rd to Gonzales River Bridge)

\$19,630

The project reconstructed River Road from Limekiln Road to Gonzales River Bridge, near the City of Gonzales. The existing pavement was recycled in place and was used as base for the new roadway, utilizing a “Green” technology known as Full-depth Reclamation. The roadway was then paved with hot-mix-asphalt. Project also rehabilitated the existing culverts/drainage. River Road is part of the Wine Corridor that stretches from Salinas down to Greenfield. River Road is part of the list of roads to be completed under the Measure X program. Construction was completed in March 2021.



Before



After

17. Hunter Lane Reconstruction Project (including Harkins Road)

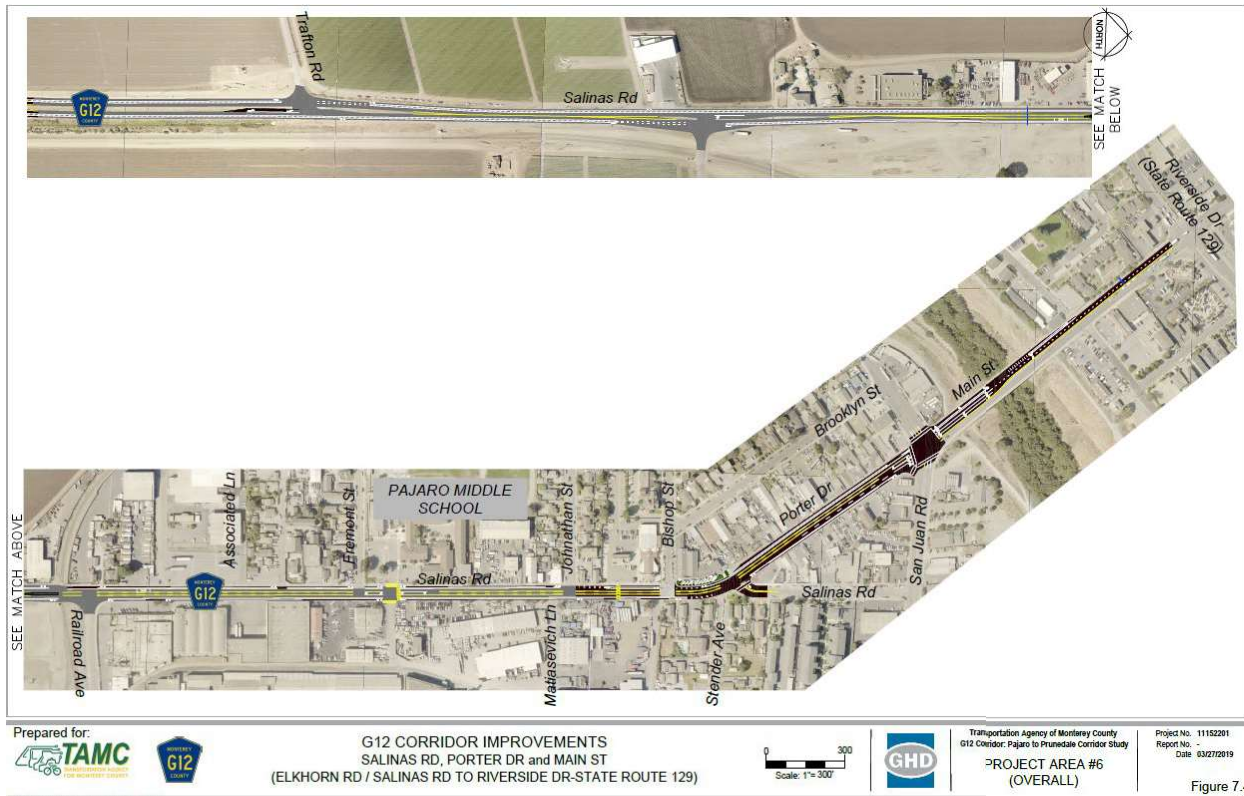
\$53,474

The Project is to extend the service life of Hunter Lane and Harkins Road, both County-maintained roads, near the City of Salinas. Project will rehabilitate the roadway pavement utilizing pavement reconstruction recycling techniques, and place hot-mix-asphalt. When complete, Hunter Lane and Harkins Road will continue to provide transportation mobility for the residents, businesses, and visitors of Monterey County. The project is fully funded by Measure X, SB 1, and Transient Occupancy Tax. This was identified as a priority pavement project during the Measure X campaign. Began design, and construction is planned for FY 24.

18. Salinas and Pajaro Road Project (AKA: G-12 Pajaro to Prunedale Corridor Study – Project Area 6)
\$275

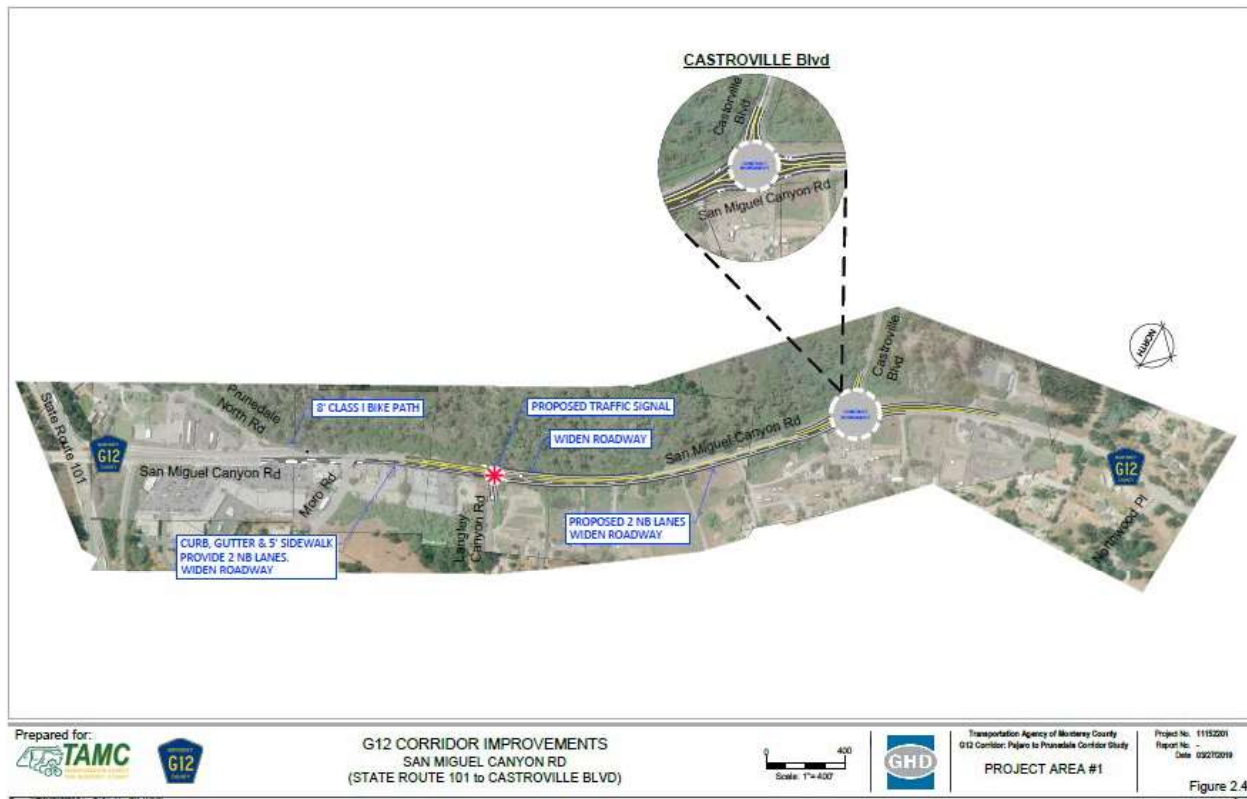
The Transportation Agency of Monterey County (TAMC) in partnership with the County of Monterey and California Department of Transportation (Caltrans) conducted a study of the G12 Corridor, extending from Pajaro to Prunedale, to identify improvements that will provide safer access to all modes of travel. The Corridor Study evaluated current and future travel patterns between the US101/ San Miguel Canyon Road Interchange in Prunedale, to the State Route 1 (SR1) / Salinas Road Interchange, to the end of Main Street in Pajaro. This project is for the Project Area 6 on the northern end of the G-12 corridor in Pajaro, approximately 1.6 miles long. The proposed improvements include: Implement a Road Diet on Salinas Road, Reduce from 4 lanes to 2 lanes, Install a Buffered Bike Lane (8' Class II Bike Lane with 6' Buffer); South of the Railroad Crossing, install a raised median on Salinas Road and an overhead arch sign with "Welcome to Pajaro," to provide entry features and an improved transition into Pajaro; Install 5' Class II Bike Lanes and 3' Buffer where feasible within Pajaro; Construct 5' Sidewalk where needed to fill in gaps in the pedestrian network, between Railroad Avenue and San Juan Road; Install Rectangular Rapid Flashing Beacons (RRFB) at existing mid-block crossing south of Bishop Street (in current County plans); Reconfigure the parking north of Bishop Street on the west side of G12 (Salinas Road) to be off-street, Adjacent to roadway, construct curb, gutter, 5' minimum sidewalk with 3' landscaped buffer, Provide diagonal front-end parking, Provide a 13' one-way Aisle for parking maneuvers, entry and exit, Provide a 5' minimum buffer adjacent to the building face, Provide entrance on Salinas Road, and exit on

Bishop Street; Convert Salinas Road east leg approach at Porter Drive to be right turn only (outbound); Reconfigure the southbound approach of Porter Drive/Main Street at San Juan Road to include: 1 Right Turn Pocket, 1 Thru Lane, 2 Left Turn Lanes (1 trap left turn lane and 1 left turn pocket), 1 Receiving Lane southbound. County was the recipient of a Highway Safety Improvement Program (HSIP) grant of \$749,160 to apply towards project costs. Thus, the project is funded by a HSIP grant, and Measure X as local match. Began Planning, and preliminary work for engaging with a design consultant.



19. Prunedale Roundabout (AKA: part of G-12 Pajaro to Prunedale Corridor Study – Project Area 1) \$275

The Transportation Agency of Monterey County (TAMC) in partnership with the County of Monterey and California Department of Transportation (Caltrans) conducted a study of the G12 Corridor, extending from Pajaro to Prunedale, to identify improvements that will provide safer access to all modes of travel. The Corridor Study evaluated current and future travel patterns between the US101/ San Miguel Canyon Road Interchange in Prunedale, to the State Route 1 (SR1) / Salinas Road Interchange, to the end of Main Street in Pajaro. This project is for the Project Area 1 on San Miguel Canyon Road, approximately 0.75 miles long, extending between US 101 and Castroville Boulevard. The proposed improvements include installing a modern roundabout at San Miguel Canyon Road and Castroville Boulevard. Estimated total cost of the project is \$2,189,600 (in 2018 dollars). County was the recipient of a Highway Safety Improvement Program (HSIP) grant of \$2,189,600 to apply towards project costs. Thus, the project is funded by a HSIP grant, and Measure X as local match. Began Planning, and preliminary work for engaging with a design consultant.



20. Johnson Road Bridge Replacement

\$41,376

The proposed project is located on Johnson Road east of the community of Las Lomas in the North County. The project is to replace the existing structurally-deficient and functionally obsolete two-lane box culvert/bridge over Carneros Creek with a new two-lane bridge. The existing will be replaced with a structure that meets current California Department of Transportation (Caltrans) standards. The project has experienced challenges with the potential presence of endangered species, specifically the Santa Cruz Long-toed Salamander. The project is primarily funded by FHWA HBP with Measure X as a local match.

21. Monte Road Bridge 135 – Painting Steel Girder Project

\$9,345

The project consists of repainting the steel components of the bridge. Recent Caltrans inspection reports indicate the need to recoat the steel bridge girders and address some of the corrosion on the bridge. The bridge has experienced some accelerated corrosion due to its proximity to the coast and corrosive marine environment. The project will extend the service life of the bridge. The project is mostly funded through the FHWA Bridge Preventative Program (HBPP) and the Measure X funds will provide the required 11.47% local match.

22. Litter Abatement Program

\$60,603

The program consists of clearing illegally-dumped debris/materials from the roads and road shoulders, which pose a traffic hazard to motorists and bicyclists, as well as environmental and health hazards. The work occurs Countywide. This is consistent with the eligible expenditure for “Road and Street

Maintenance Repairs”, whereby removal of the debris from the road reduces or eliminates liability and safety concerns.



Pictures of Jolon Road



Pictures of Old Stage Road

23. Monterey Bay Sanctuary Scenic Trail - Moss Landing Segment

\$127,659

The project proposes to construct a Class 1 bicycle/pedestrian path along State Route One between Moss Landing Road and the North Harbor of Moss Landing. As part of the project a new 386-foot long bridge, parallel to the State Highway One bridge, will be constructed to cross the Elkhorn Slough. The project is in permitting phase and performing additional investigation at the northern harbor abutment. The Project is funded by a variety of Federal, State and Local funds, including Measure X.



Southern limit of path



Northern limit of path

COUNTY OF MONTEREY
MEASURE X ACTIVITY
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

June 30, 2022



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COUNTY OF MONTEREY
MEASURE X ACTIVITY
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June 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of Monterey, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Measure X Activity of the County of Monterey (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Monterey – Measure X's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure X Activity of the County as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure X Activity of the County are intended to present the financial position, and the changes in financial position of only that portion of the County that is attributable to the transactions of the Measure X Activity of the County. They do not purport to, and do not, present fairly the financial position of the County as of June 30, 2022, the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Monterey's internal control as it relates to the Measure X Activity. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
December 13, 2022

County of Monterey
MEASURE X ACTIVITY
BALANCE SHEET
JUNE 30, 2022

ASSETS

Cash and investments	<u>\$ 21,082,275</u>
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FUND BALANCE

Restricted	<u>21,082,275</u>
Total Fund Balance	<u>\$ 21,082,275</u>

See accompanying Notes to the Financial Statements

County of Monterey
MEASURE X ACTIVITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES

Transportation Safety and Investment Plan Account revenue	\$ 9,713,922
Use of money and property	<u>85,927</u>
Total revenues	<u>9,799,849</u>

EXPENDITURES

Streets and roads maintenance	<u>4,633,993</u>
Total Expenditures	<u>4,633,993</u>
Excess of revenues over expenditures	5,165,856
Fund balance, beginning of fiscal year	<u>15,916,419</u>
Fund balance, end of fiscal year	<u>\$ 21,082,275</u>

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Measure X Activity (Activity) of the County of Monterey are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units (GAAP). The Activity's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Reporting Entity

The County of Monterey receives Measure X funding from the Transportation Agency for Monterey County for the purpose of street and road infrastructure improvements. The financial statements present only the Measure X Activity of the County of Monterey and do not purport to, and do not present, the County's financial position and changes in financial position. The County of Monterey's basic financial statements are available from the Auditor-Controller at www.co.monterey.ca.us/auditor.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Measure X Activity of the County of Monterey is presented as a governmental fund type. Governmental funds are accounted for using a current financial resources measurement focus. The application of this measurement focus provides that, in general, only current assets and current liabilities are present on the balance sheet. Operating statements of these funds present revenues and expenditures.

The modified accrual basis of accounting is used for the activity. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Measurable means that the amount of the transaction can be determined. Available means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures of governmental funds are generally recognized when the related fund liability is incurred.

NOTE 2 – CASH DEPOSITS

The County follows the practice of pooling cash and investments for all funds under its direct daily control. Interest earned on pooled cash and investments is allocated periodically to the Activity based on average cash balances. Detailed disclosure regarding the County's investments of cash is included in the notes to financial statements of the County.

NOTE 3 – MAINTENANCE OF EFFORT

The Measure X Master Programs Funding Agreement between the County of Monterey and the Transportation Agency for Monterey County, as amended, along with Ordinance No. 2016-01 and 2019-01, required that the County must expend each fiscal year from its General fund for street and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 2009-10, 2010-11, 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X was passed) as reported to the Controller pursuant to Streets and Highways Code section 2151 ("Maintenance of Effort"). This baseline amount will be indexed annually based upon the Engineering News Record construction index. The County General Fund provides an annual contribution to the Road Fund to meet the requirement. For purposes of this calculation, the General Fund annual contribution for the noted years will be used.

Maintenance of Effort: \$5,486,766

Total expenditures from the General fund for street and highway purposes for the fiscal year ended June 30, 2022 was \$5,486,766. The County was in compliance with the Maintenance of Effort requirement of the Measure X Master Programs Funding Agreement and Amendment No. 1 between the County of Monterey and the Transportation Agency for Monterey County.



**INDEPENDENT AUDITORS' COMPLIANCE REPORT WITH
TAMC ORDINANCE NO. 2016-01 AND AMENDED ORDINANCE NO. 2019-01
TRANSPORTATION SAFETY AND INVESTMENT PLAN**

Board of Supervisors
County of Monterey, California

Report on Compliance

Opinion on Measure X Activity

We have audited Measure X Activity of the County of Monterey's (the County) compliance with the types of compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01, the amended Ordinance No. 2019-01, and in the Measure X Master Programs Funding Agreement between TAMC and the County of Monterey applicable for the fiscal year ended June 30, 2022.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to Measure X Activity for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the TAMC Ordinance No. 2016-01, and the amended Ordinance 2019-01 and Measure X Master Programs Funding Agreement. Our responsibilities under those standards and TAMC Ordinance No. 2016-01, the amended Ordinance No. 2019-01 and the Measure X Master Programs Funding Agreement are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's government programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and TAMC Ordinance No. 2016-01, the amended Ordinance No. 2019-01, and in the Measure X Master Programs Funding Agreement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and TAMC Ordinance No. 2016-01, the amended Ordinance No. 2019-01, and in the Measure X Master Programs Funding Agreement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with TAMC Ordinance No. 2016-01, the amended Ordinance No. 2019-01, and in the Measure X Master Programs Funding Agreement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

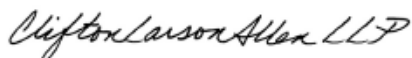
Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on TAMC Ordinance No. 2016-01, the amended Ordinance No. 2019-01, and in the Measure X Master Programs Funding Agreement. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
December 13, 2022



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Supervisors
County of Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure X Activity of the County of Monterey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Measure X Activity of the County of Monterey's basic financial statements, and have issued our report thereon dated December 13, 2022

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

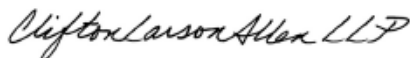
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure X Activity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
December 13, 2022



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

**MONTEREY COUNTY
MEASURE X
5 - YEAR PROJECT LIST
FOR YEARS 2023 - 2027**

FY2022-23						
Project & Location	Description & Phase	Anticipated Construction Date	Estimated Useful Life of Improvement	Total Cost (x 1,000)	Measure X (x 1,000)	PCI
Las Lomas Drainage	Drainage - Construction	2023	30 years	\$ 2,639	\$ 1,320	N/A
Alisal Rd (MOU w/ Salinas Bardin Project)	Rehabilitation - Construction	2023	20 years	\$ 1,225	\$ 338	15
Cooper Rd (Nashua Rd to State Route 183)	Reconstruction - Construction	2023	20 years	\$ 5,000	\$ 2,500	22
Murphy Rd (San Juan Rd to Santa Cruz Co. Line)	Reconstruction - Construction	2023	20 years	\$ 1,350	\$ 675	18
Inter-Garrison Rd (Abrams Rd to Sherman Blvd)	Reconstruction - Construction	2023	20 years	\$ 1,530	\$ 765	40
Toro Rd Storm Damage	Slope & Road Repair - Construction	2024	20 years	\$ 1,482	\$ 177	N/A
Alisal Rd (from Salinas City Limit to Hartnell Rd)	Reconstruction - Engineering	2024	20 years	\$ 400	\$ 200	22
Old Stage Rd (Iverson Rd to Chualar Cyn Rd)	Reconstruction - Engineering	2024	20 years	\$ 400	\$ 200	27
Hunter Ln, Harkins Rd, Hitchcock Rd, & Foster Rd	Reconstruction - Engineering	2024	20 years	\$ 895	\$ 448	26
Las Lomas Street & Sidewalk Improvement	Street & Sidewalk - Engineering	2024	20 years	\$ 545	\$ 50	50
Elkhorn Rd (Kirby Rd to Hall Rd)	Rehabilitation - Engineering	2024	20 years	\$ 700	\$ 350	40
Viejo Rd Storm Damage	Slope & Road Repair - Engineering	2024	20 years	\$ 206	\$ 206	N/A
				\$ 16,372	\$ 7,228	

FY2023-24						
Project & Location	Description & Phase	Anticipated Construction Date	Estimated Useful Life of Improvement	Total Cost (x 1,000)	Measure X (x 1,000)	PCI
Inter-Garrison Rd (Abrams Rd to Sherman Blvd)	Reconstruction - Construction, ending 2024	2024	20 years	\$ 545	\$ 273	40
Toro Rd Storm Damage	Slope & Road Repair - Construction, ending 2024	2024	20 years	\$ 550	\$ 138	N/A
Alisal Rd (from Salinas City Limit to Hartnell Rd)	Reconstruction - Construction	2024	20 years	\$ 5,025	\$ 2,513	22
Old Stage Rd (Iverson Rd to Chualar Cyn Rd)	Reconstruction - Construction	2024	20 years	\$ 3,640	\$ 1,820	27
Hunter Ln, Harkins Rd, Hitchcock Rd, & Foster Rd	Reconstruction - Construction	2024	20 years	\$ 12,100	\$ 6,050	26
Las Lomas Street & Sidewalk Improvement	Street & Sidewalk - Construction	2024	20 years	\$ 2,890	\$ 459	50
Elkhorn Rd (Kirby Rd to Hall Rd)	Rehabilitation - Construction	2024	20 years	\$ 4,675	\$ 2,338	40
Viejo Rd Storm Damage	Slope & Road Repair - Construction	2024	20 years	\$ 830	\$ 75	N/A
Arroyo Seco Rd (from Cedar Ave to 0.7 mi n/o Thorne Rd)	Reconstruction - Engineering	2025	20 years	\$ 525	\$ 263	50
Jolon Rd (from US-101 to 3 mi n/o Nacimiento Lake Dr)	Resurfacing/Rehab - Engineering	2025	20 years	\$ 700	\$ 350	47
Jolon Rd (from Central Ave to US-101 NB onramp)	Resurfacing/Rehab - Engineering	2025	20 years	\$ 140	\$ 70	57
				\$ 31,620	\$ 14,347	

FY2024-25						
Project & Location	Description & Phase	Anticipated Construction Date	Estimated Useful Life of Improvement	Total Cost (x 1,000)	Measure X (x 1,000)	PCI
Arroyo Seco Rd (from Cedar Ave to 0.7 mi n/o Thorne Rd)	Reconstruction - Construction	2025	20 years	\$ 3,320	\$ 1,660	50
Jolon Rd (from US-101 to 3 mi n/o Nacimiento Lake Dr)	Resurfacing/Rehab - Construction	2025	20 years	\$ 6,580	\$ 3,290	47
Jolon Rd (from Central Ave to US-101 NB onramp)	Resurfacing/Rehab - Construction	2025	20 years	\$ 743	\$ 372	57
Harris Rd (from Spreckles Blvd to Salinas City Limit)	Resurfacing/Rehab - Engineering	2026	20 years	\$ 700	\$ 350	44
Rerservation Rd (Davis Rd to SR-68)	Resurfacing/Rehab - Engineering	2026	20 years	\$ 600	\$ 300	48
				\$ 11,943	\$ 5,972	

FY2025-26						
Project & Location	Description & Phase	Anticipated Construction Date	Estimated Useful Life of Improvement	Total Cost (x 1,000)	Measure X (x 1,000)	PCI
Harris Rd (from Spreckles Blvd to Salinas City Limit)	Resurfacing/Rehab - Construction	2026	20 years	\$ 5,465	\$ 2,733	44
Rerservation Rd (Davis Rd to SR-68)	Resurfacing/Rehab - Construction	2026	20 years	\$ 4,020	\$ 2,010	48
Carmel Valley Rd (Carmel Rancho Blvd to Via Petra Rd)	Resurfacing/Rehab - Engineering	2027	20 years	\$ 800	\$ 400	53
Blackie Rd (from Commercial Pkwy to 2.8 mi e/o Commercial Pkwy)	Resurfacing/Rehab - Engineering	2027	20 years	\$ 800	\$ 400	31
Dolan Rd (SR-1 to Castroville Blvd)	Resurfacing/Rehab - Engineering	2027	20 years	\$ 850	\$ 425	23
				\$ 11,935	\$ 5,968	

FY2026-27						
Project & Location	Description & Phase	Anticipated Construction Date	Estimated Useful Life of Improvement	Total Cost (x 1,000)	Measure X (x 1,000)	PCI
Carmel Valley Rd (Carmel Rancho Blvd to Via Petra Rd)	Resurfacing/Rehab - Construction	2027	20 years	\$ 6,310	\$ 3,155	53
Blackie Rd (from Commercial Pkwy to 2.8 mi e/o Commercial Pkwy)	Resurfacing/Rehab - Construction	2027	20 years	\$ 5,575	\$ 2,788	31
Dolan Rd (SR-1 to Castroville Blvd)	Resurfacing/Rehab - Construction	2027	20 years	\$ 6,750	\$ 3,375	23
San Miguel Canyon Rd (Tarpey Rd to San Juan Rd)	Resurfacing/Rehab - Engineering	2028	20 years	\$ 800	\$ 400	46
Castroville Blvd (SR-156 to Manzanita Cir)	Resurfacing/Rehab - Engineering	2028	20 years	\$ 800	\$ 400	51
Spence Rd (US-101 to Old Stage Rd)	Resurfacing/Rehab - Engineering	2028	20 years	\$ 650	\$ 325	34
Old Stage Rd (Salinas City Limits to Natividad Rd)	Resurfacing/Rehab - Engineering	2028	20 years	\$ 550	\$ 275	29
				\$ 21,435	\$ 10,718	

MONTEREY COUNTY

PUBLIC WORKS, FACILITIES & PARKS



Randell Ishii, MS, PE, TE, PTOE, Director

1441 Schilling Place, South 2nd Floor
Salinas, California 93901-4527

(831) 755-4800
www.co.monterey.ca.us

Date: December 22, 2022

To: Todd Muck, Executive Director
Transportation Agency for Monterey County
55-B Plaza Circle
Salinas, CA 93901

Re: Pavement Management Program Annual Report

The Monterey County confirms that it has a Pavement Program that conforms to the criteria established by the Transportation Agency for Monterey County and included in the Measure X Agreement with the Local Agency.

An approved Pavement Management Program must be in place to be eligible for Measure X funds.

The Pavement Management Program utilizes a software system developed by:

Metropolitan Transportation Commission StreetSaver,
 Other [Fill in name of system] _____

The system was updated by TAMC's consultant, NCE, and contains, at minimum, the following elements:

- Inventory of all existing pavements under the local agency jurisdiction:
 - Centerline miles: 1,231 (paved and gravel), of which 1095 (paved)
 - Please note: an additional approx 29 miles came into the system, and pavement assessment is programmed in the current effort with TAMC's consultant, NCE.
 - Total lane miles (or equivalent units): N/A, used centerline miles
 - The last update of the inventory was completed on: inspected by NCE October 2018, updated by staff September 2022. Please note that the additional approx 29 miles is being condition assessed in the current effort with TAMC's consultant, NCE.
- Average Pavement Condition Index (PCI): 40
- Identification of sections of roadways brought up to acceptable PCI levels for the current year:
 - Old Stage Rd (Buffalo Ranch to Iverson Rd): 1.6 miles, 100 PCI
 - River Rd (Portola Dr to Las Palmas Pkwy): 2.7 miles, 98 PCI
 - River Rd (Limekiln Rd to Gonzales River Bridge): 4.6 miles, 98 PCI
 - Castroville Community (various streets, 6 blocks)
 - Crane St (Merritt St to Geil St): 0.21 miles, 85 PCI
 - Preston St (Merritt St to Geil St): 0.21 miles, 85 PCI
 - Speegle St (Merritt St to Geil St): 0.21 miles, 85 PCI
 - Mc Dougall St (Seegle St to Crane St): 0.14 miles, 85 PCI
 - Pomber St (Seegle St to Crane St): 0.14 miles, 85 PCI
 - Geil St (Seegle St to Crane St): 0.14 miles, 85 PCI
- Amount spent to rehabilitate or replace deficient sections for the current year: \$16 million (consists of TOT, Measure X, and SB 1 on pavement)

You may direct any questions regarding the system to Jonathan Pascua at (831) 755-8963, (pascuajl@co.monterey.ca.us).

Sincerely,



Digitally signed by Randell Y. Ishii, MS, PE, TE, PTOE; Director

Randell Ishii, MS, PE, TE, PTOE
Director of Public Works, Facilities, & Parks