

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

MEMORANDUM

Date: December 23, 2021

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

Randell Y. Ishii

Digitally signed by Randell Y.
Ishii, MS, PE, TE, PTOE; Director
Date: 2021.12.23 14:27:49 -08'00'

Subject: Measure X Master Programs Funding Agreement – Annual Report for December 31, 2021

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, 2021.

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 2020-21

REVENUE	
Carryover from Previous Year	\$ 13,930,183
Measure X Revenue	\$ 8,149,671
1st Quarter 2020-21	\$ 2,049,602
2nd Quarter 2020-21	\$ 1,919,303
3rd Quarter 2020-21	\$ 1,808,932
4th Quarter 2020-21	\$ 2,371,833
Earning on Interest	\$ 160,269
TOTAL REVENUE	\$ 22,240,123
EXPENDITURES	
JOLON ROAD BRIDGE OVER PINE CANYON CREEK-BRIDGE RAIL REPLACEMENT	\$ 129,255
COUNTYWIDE SIGNAGE & STRIPING AUDIT	\$ 89,104
OLD STAGE RD (ALISAL RD TO IVERSON RD)	\$ 5,102
RIVER ROAD OVERLAY CHULAR RIVER TO 1.1 LIMEKILN RD	\$ 2,278
RIVER ROAD OVERLAY LAS PALMAS RD TO LAS PALMAS PKWY	\$ 2,163,738
ELKHORN RD / WERNER RD / SALINAS RD INTERSECTION SAFETY IMPROVEMENT PHASE 1	\$ 264,412
RIVER RD OVERLAY (LIMEKILN RD TO GONZALES RIVER RD)	\$ 2,899,636
LAS LOMAS DRAINAGE	\$ 100,922
NACIMIENTO LAKE DRIVE BRIDGE	\$ 5,582
BRADLEY ROAD BRIDGE SCOUR REPAIR	\$ 76,773
GONZALES RIVER ROAD BRIDGE SUPERSTRUCTURE REPLACEMENT	\$ 94,102
MONTE ROAD BRIDGE 135	\$ 4,871
MONTEREY BAY SANCTUARY SCENIC TRAIL - MOSS LANDING SEGMENT	\$ 156,030
TORO ROAD REPAIR	\$ 24,730
VIEJO ROAD SLOPE REPIAR	\$ 26,749
COMMUNITY STREET REPAIR (VARIOUS LOCATIONS)	\$ 218,658
G-12 PAJARO TO PRUNEDALE CORRIDOR STUDY SEGMENT 1	\$ 61,765
	\$ 6,323,707
FUND BALANCE, END OF PERIOD	\$ 15,916,415

Project Report for Measure X Expenditures FY21

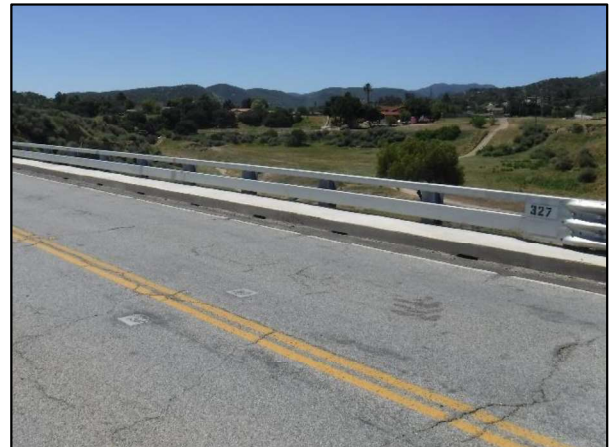
1. Jolon Road Bridge Rail Replacement

\$129,255

The Jolon Road Bridge Rail Replacement Project consists, in general, of replacing the existing bridge rails, to meet current State standards. The total project cost, including environmental, engineering, and construction, is \$989,250. The project is funded by the FHWA Highway Bridge Program (HBP) with Measure X providing the require local match. Construction was completed in December 2020.



Before



After

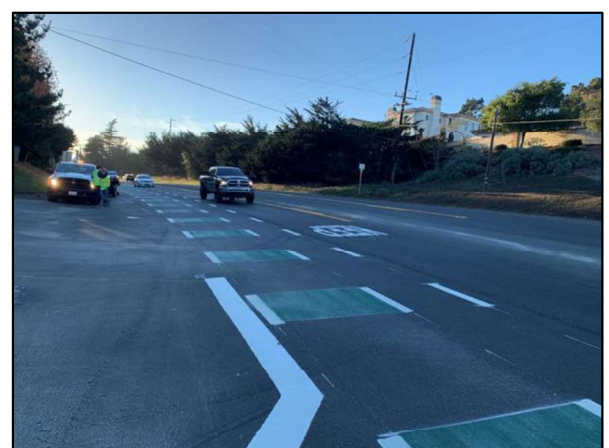
2. Elkhorn/Werner/Salinas Traffic Safety Improvement (Partial G-12 Pajaro to Prunedale Corridor Study – Segment 5)

\$264,412

The project is to provide interim safety improvements to the Elkhorn Road / Werner Road / Salinas Road Intersection to improve the driving experience for motorists. This project also included improvements at the Salinas Road / Fruitland Avenue intersection. This project is a partial component of the improvements identified in the G-12 Pajaro to Prunedale Corridor Study. The project consists of a ‘road diet’ that includes the installation of Two Way Left Turn Lane pavement markings (TWLTL) on Salinas Road, installation of a westbound refuge/acceleration lane within the striped median at the intersection of Werner Road and Salinas Road, and a slurry seal of the pavement. Cost of improvements was \$264,412 and was funded with Measure X funds. Improvements were completed in December 2020.



Two Way Left Turn Lane

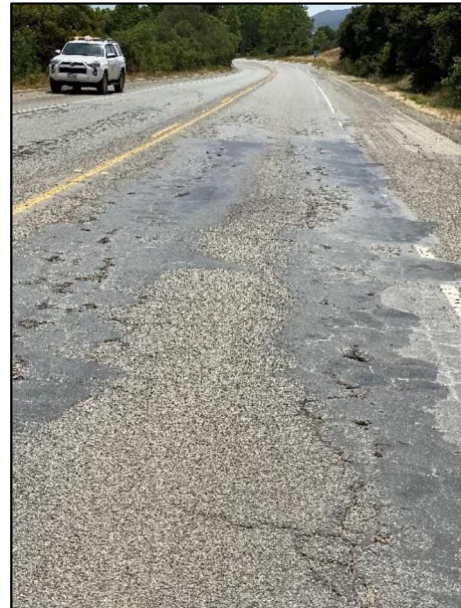


Bikelanes

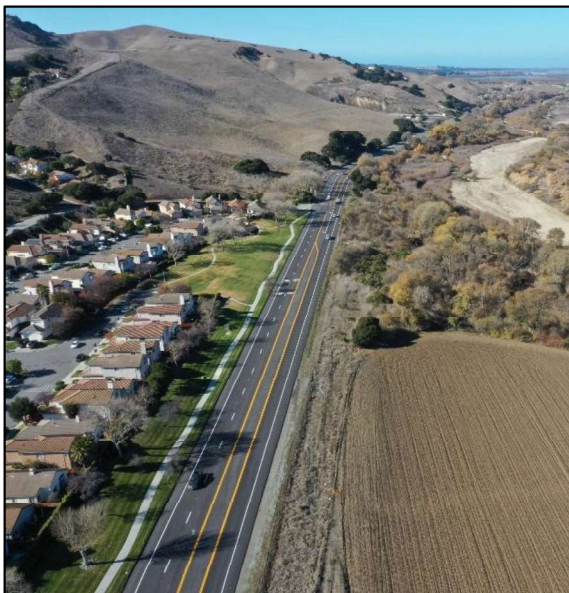
3. River Rd Rehabilitation (Portola Dr to Las Palmas Pkwy)

\$2,163,738

The project rehabilitated River Road from Portala 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

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

\$2,899,636

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

5. Las Lomas Drainage

\$100,922

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, the project was divided in 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. This phase is currently under construction and is anticipated to be complete in Summer 2022. The project is funded by County General funds and Measure X funds. The Measure X will be used to fully fund all the project sections.



Winter 2016



In construction

6. Nacimiento Lake Drive Bridge Replacement

\$5,582

The proposed project is located on Nacimiento Lake Drive approximately seven miles southwest of the community of Bradley in South County. The project is to replace the existing seismically deficient one-lane Nacimiento Lake Drive Bridge with a new two-lane bridge. The existing will be replaced with a structure that meets current California Department of Transportation (Caltrans) seismic standards. Project is currently in construction is anticipated to complete in Winter 2022. The project is primarily funded by FHWA HBP with Measure X as a local match.



Existing Nacimiento Lake Drive Bridge



In construction

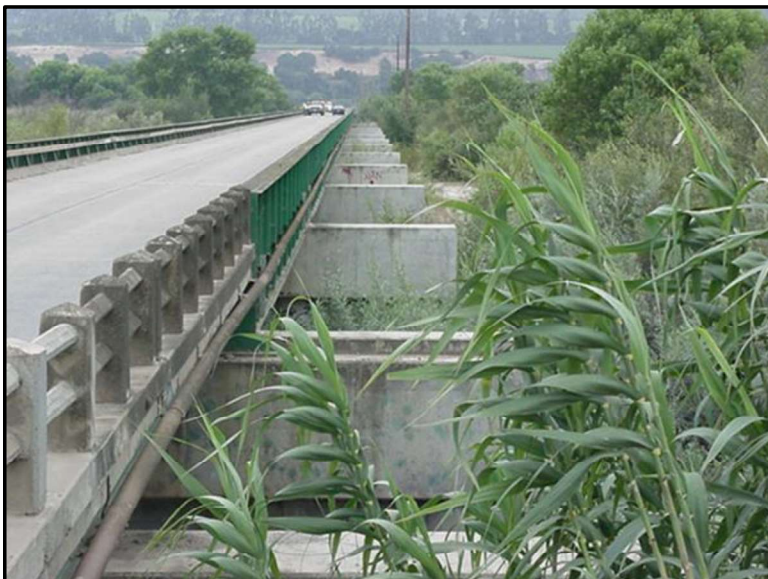
7. Gonzales River Road Bridge Superstructure Replacement

\$94,102

The project proposes to replace 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 proposed bridge will be 1661 feet and 44 feet wide using the existing substructure that was retrofitted in 2002. The last two spans on the westerly side of the bridge will also need to be replaced to accommodate the 100-year flood flows. The bridge approaches will need to be realigned and widened to match to the new bridge. The project is funded by FHWA HBMP (88.53%) and Measure X provided the local match (11.47%). The project is in the preliminary engineering and environmental documentation phase.



Existing Superstructure
Gonzales River Road
Bridge



Existing Substructure
2002 retrofit

8. Monterey Bay Sanctuary Scenic Trail - Moss Landing Segment

\$156,030

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. Construction of the project is anticipated to begin in Summer 2023. The Project is funded by a variety of Federal, State and Local funds, including Measure X.



Southern limit of path



Northern limit of path

9. Community Street Repairs (Cooper St Resurfacing – Castroville)

\$218,658

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 resurfaced Cooper Street from State Route 183 to Blevins Way, in the Community of Castroville. Project also included reconstructing sidewalk ADA curb ramps. The project cost was approximately \$1 million, funded by Measure X, and other funds in Road Fund like TOT and SB 1. The project contractor was Teichert Construction, performed through JOC. Construction was completed in May 2021.



Early construction



Towards completion

10. Bradley Road Bridge Scour Repair

\$76,773

The project is to remediate the existing scour at the bridge piers of Bradley Road Bridge. The project is currently in the Project Approval & Environmental Documentation (PA&ED) phase. The current project estimate, including engineering, environmental, and construction is \$3.8 million. It is funded by FHWA HBP funds with Measure X as local match. Construction is tentatively scheduled for Summer 2022.



Existing Piers
Bradley Road Bridge

11. G-12 Pajaro to Prunedale Corridor Study – Project Segment 1

\$61,765

The project is to install a roundabout at the intersection of San Miguel Canyon Road and Castroville Boulevard in Prunedale. This project is a component of the improvements identified in the G-12 Pajaro to Prunedale Corridor Study. The project is in the early preliminary engineering phase. Estimated total cost of the project is \$2,189,600. County was the recipient of a Highway Safety Improvement Program (HSIP) grant of \$2,189,600 to apply towards project costs.

12. Old Stage Road Rehabilitation

\$5,102

The Project consists of rehabilitating existing asphalt pavement on Old Stage Road between Iverson Road and Alisal Road. The work in general will reconstruct the existing pavement utilizing a “recycle in place” sustainable pavement technology, and placing new hot-mix-asphalt. Project length is approximately 6.4 miles. The total estimated project cost, including engineering, environmental, and construction is \$8.8 million. The project is funded primarily with Measure X funds, SB 1 and some of county Transit Occupancy Tax (TOT) funds.



Coring on Old Stage Road

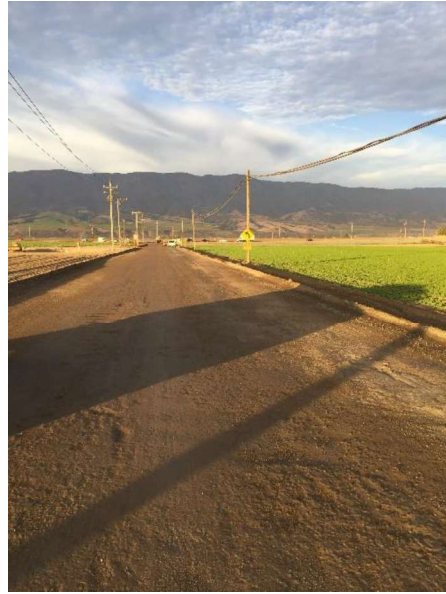
13. River Rd Reconstruction (Chualar River Rd to Limekiln Rd)

\$2,278

The project reconstructed River Road from Chualar River Road to Limekiln Road, near the community of Chualar. 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. River Road is part of the Wine Corridor that stretches from Salinas down to Greenfield. This is part of the list of roads to be completed under the Measure X program. This project was also funded by TOT and SB 1.



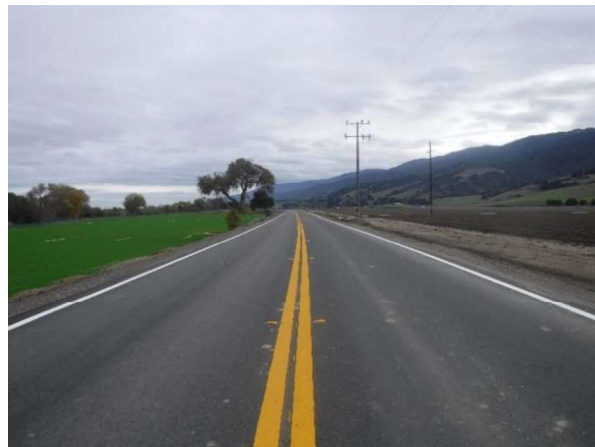
Before



FDR'd road



HMA operation



After

14. Monte Road Bridge Painting Project

\$4,871

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.

15. Toro Road Slope Repair Project

\$24,730

The project consists of repairing the roadway slope following the 2017 Winter Storms. A section of the roadway eroded, requiring the slope to be reconstructed and buttressed with a soldier-pile retaining wall. The project is expected to be under construction during the summer of 2022. The project is mostly funded with FEMA/Cal OES funds and the Measure X funds will provide the required local match.

16. Viejo Road Slope Repair Project**\$26,749**

The project consists of repairing the roadway slope following the 2017 Winter Storms. A section of the roadway eroded, requiring the slope to be reconstructed. Environmental permits are being secured for the project and the construction is scheduled to commence during the fall of 2022. The project is mostly funded with FEMA/Cal OES funds and the Measure X funds will provide the required local match.

17. Countywide Signage and Striping Audit**\$89,104**

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.

**COUNTY OF MONTEREY
MEASURE X
5 - YEAR PROJECT LIST
FOR YEARS 2022 - 2026**

FY2021-22

Project & Location	Description & Phase	Cost (in \$1,000's)	Measure X (in \$1,000's)	PCI
Cooper Rd (from Nashua Rd to State Route 183)	Resurfacing/Rehab - Engineering	\$ 500	\$ 238	24
Murphy Rd (San Juan Rd to Santa Cruz Co. Line)	Reconstruction - Engineering	\$ 250	\$ 100	30
Las Lomas Drainage	Drainage - Construction	\$ 2,110	\$ 939	N/A
Blackie Rd Safety Impr Env Mitigation	Environmental Mitigation	\$ 240	\$ 240	85
Old Stage Rd (from Alisal Rd to Iverson Rd)	Reconstruction - Engineering	\$ 450	\$ 150	26
Robinson Cyn Rd Bridge Scour	Bridge Scour Mitigation - Engineering	\$ 286	\$ 59	N/A
Gonzales River Rd Bridge Replacement	Bridge Superstructure Replac - Engineering	\$ 1,283	\$ 20	N/A
Hartnell Rd Bridge Replacement	Bridge Replacement - Engineering	\$ 2,171	\$ 5	N/A
Monterey Bay Sanctuary Scenic Trail	Bicycle-Pedestrian Path & Bridge	\$ 267	\$ 267	N/A
Toro Rd Storm Damage Repair	Storm Damage - Engineering	\$ 229	\$ 63	N/A
Viejo Rd Storm Damage Repair	Storm Damage - Engineering	\$ 329	\$ 64	N/A
Echo Valley Rd Storm Damage Repair	Storm Damage - Engineering	\$ 500	\$ 49	N/A
Palo Colorad Rd Storm Damage Repair (MP4/7)	Storm Damage - Engineering	\$ 510	\$ 30	5
Community Street Repair	Resurfacing - Construction	\$ 1,000	\$ 500	25
G-12 Pajaro to Prunedale Corridor Study - Segment 1	Operation - Engineering	\$ 38	\$ 38	51
G-12 Pajaro to Prunedale Corridor Study - Segment 6	Operation - Engineering	\$ 81	\$ 81	53
Total:		\$ 10,244	\$ 2,843	

FY2022-23

Project & Location	Description & Phase	Cost (in \$1,000's)	Measure X (in \$1,000's)	PCI
Hunter Ln & Harkins Rd (near Spreckles)	Reconstruction - Engineering	\$ 325	\$ 113	11
Cooper Rd (from Nashua Rd to State Route 183)	Resurfacing/Rehab - Construction	\$ 3,800	\$ 1,888	24
Murphy Rd (San Juan Rd to Santa Cruz Co. Line)	Reconstruction - Construction	\$ 1,250	\$ 600	30
Monterey Bay Sanctuary Scenic Trail	Bicycle-Pedestrian Path & Bridge	\$ 2,553	\$ 88	N/A
Las Lomas Drainage	Drainage - Construction	\$ 1,991	\$ 1,552	N/A
Toro Rd Storm Damage Repair	Storm Damage - Construction	\$ 504	\$ 58	N/A
Viejo Rd Storm Damage Repair	Storm Damage - Engineering	\$ 536	\$ 180	N/A
Palo Colorad Rd Storm Damage Repair (MP4/7)	Storm Damage - Engineering	\$ 510	\$ 37	5
Community Street Repair	Resurfacing - Construction	\$ 1,500	\$ 1,500	25
G-12 Pajaro to Prunedale Corridor Study - Segment 1	Operation - Engineering	\$ 38	\$ 38	51
G-12 Pajaro to Prunedale Corridor Study - Segment 6	Operation - Engineering	\$ 81	\$ 81	53
Total:		\$ 13,088	\$ 6,135	

FY2023-24

Project & Location	Description & Phase	Cost (in \$1,000's)	Measure X (in \$1,000's)	PCI
Hunter Ln (State Route 68 to Harkins Rd)	Reconstruction - Construction	\$ 4,000	\$ 2,000	11
Old Stage Rd (from Alisal Rd to Iverson Rd)	Resurfacing/Rehab - Engineering	\$ 350	\$ 100	26
Inter-Garrison Rd (from Schoonover Rd to Sherman Blvd)	Resurfacing/Rehab - Engineering/Const.	\$ 2,100	\$ 1,000	33
Arroyo Seco Rd (from Cedar Ave to 0.7 mi n/o Thorne Rd)	Reconstruction - Engineering	\$ 350	\$ 125	40
Elkhorn Rd (from Hall Rd to Kirby Rd)	Resurfacing/Rehab - Engineering	\$ 500	\$ 250	35
Monterey Bay Sanctuary Scenic Trail	Bicycle-Pedestrian Path & Bridge	\$ 4,665	\$ 663	N/A
Palo Colorad Rd Storm Damage Repair (MP4/7)	Storm Damage - Engineering	\$ 510	\$ 37	5
Community Street Repair	Resurfacing - Construction	\$ 1,500	\$ 1,500	25
Total:		\$ 13,975	\$ 5,675	

FY2024-25

Project & Location	Description & Phase	Cost (in \$1,000's)	Measure X (in \$1,000's)	PCI
Old Stage Rd (from Alisal Rd to Iverson Rd)	Reconstruction - Construction	\$ 5,000	\$ 3,000	26
Arroyo Seco Rd (from Cedar Ave to 0.7 mi n/o Thorne Rd)	Reconstruction - Construction	\$ 2,050	\$ 975	40
Elkhorn Rd (from Hall Rd to Kirby Rd)	Resurfacing/Rehab - Construction	\$ 3,325	\$ 1,663	35
Jolon Rd (from US Hwy 101 to 3 mi n/o Nacimiento Lake Dr)	Resurfacing/Rehab - Engineering	\$ 550	\$ 250	41
Jolon Rd (from Central Ave to US Hwy NB onramp)	Resurfacing/Rehab - Engineering	\$ 90	\$ 20	46
Monterey Bay Sanctuary Scenic Trail	Bicycle-Pedestrian Path & Bridge	\$ 3,817	\$ 879	N/A
Palo Colorad Rd Storm Damage Repair (MP4/7)	Storm Damage - Engineering	\$ 1,045	\$ 823	5
Community Street Repair	Resurfacing - Construction	\$ 1,500	\$ 1,500	25
Total:		\$ 17,377	\$ 9,110	

FY2025-26

Project & Location	Description & Phase	Cost (in \$1,000's)	Measure X (in \$1,000's)	PCI
Jolon Rd (from US Hwy 101 to 3 mi n/o Nacimiento Lake Dr)	Resurfacing/Rehab - Construction	\$ 4,350	\$ 2,150	41
Jolon Rd (from Central Ave to US Hwy NB onramp)	Resurfacing/Rehab - Construction	\$ 750	\$ 400	46
Old Stage Rd (from Alisal Rd to Iverson Rd)	Reconstruction - Construction	\$ 5,000	\$ 3,000	26
Harris Rd (from Spreckles Blvd to Salinas City Limit)	Resurfacing/Rehab - Engineering	\$ 500	\$ 200	48
Hall Rd (from Las Lomas Dr to San Miguel Cyn Rd)	Resurfacing/Rehab - Engineering	\$ 500	\$ 200	46
Elkhorn Rd (from Hall Rd to Salinas Rd)	Resurfacing/Rehab - Engineering	\$ 500	\$ 200	46
Reservation Rd (Davis to SR-68)	Resurfacing/Rehab - Engineering	\$ 500	\$ 200	40
Community Street Repair	Resurfacing - Construction	\$ 1,500	\$ 1,500	25
Total:		\$ 13,600	\$ 7,850	

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 23, 2021

To: Todd Muck, Deputy 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 being programmed before the next audit
 - 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 2021
- Average Pavement Condition Index (PCI): 42
- Identification of sections of roadways brought up to acceptable PCI levels for the current year:
 - River Rd (Portola Dr to Las Palmas Pkwy): 98 PCI
 - River Rd (Limekiln Rd to Gonzales River Bridge): 98 PCI
 - Cooper St (SR-183 to Blevins Way): 98 PCI
- Amount spent to rehabilitate or replace deficient sections for the current year: \$17.3 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,

A handwritten signature in blue ink that reads 'Randell Y. Ishii'.

Digitally signed by Randell Y. Ishii, MS,
PE, TE, PTOE; Director
Date: 2021.12.23 14:27:13 -08'00'

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

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

June 30, 2021



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AUDIT, TAX, AND CONSULTING

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COUNTY OF MONTEREY
MEASURE X ACTIVITY
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June 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of Monterey, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure X activity of the County of Monterey (County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure X Activity, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure X Activities and do not purport to, and do not, present fairly the financial position of the County of Monterey, as of June 30, 2021 or the changes in its financial position for the fiscal 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021 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 the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
December 6, 2021

County of Monterey
MEASURE X ACTIVITY
BALANCE SHEET
JUNE 30, 2021

ASSETS

Cash and investments \$ 15,916,419

FUND BALANCE

Restricted 15,916,419

Total Fund Balance \$ 15,916,419

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, 2021

REVENUES

Transportation Safety and Investment Plan Account revenue	\$ 8,149,671
Use of money and property	<u>160,269</u>
Total revenues	<u>8,309,940</u>

EXPENDITURES

Streets and roads maintenance	<u>6,323,704</u>
Total Expenditures	<u>6,323,704</u>
Excess (deficiency) of revenues over expenditures	1,986,236
Fund balance, beginning of fiscal year	<u>13,930,183</u>
Fund balance, end of fiscal year	<u><u>\$ 15,916,419</u></u>

See accompanying Notes to the Financial Statements

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Measure X 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 Activities' 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 all funds. 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 various funds 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: \$5,205,660

Total expenditures from the General fund for street and highway purposes for the fiscal year ended June 30, 2021 was \$5,205,660. 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

We have audited the financial statements of the 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, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Measure X Activity.

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit in accordance with the 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 (the Agreement) between TAMC and the County of Monterey. The Measure X Master Programs Funding Agreement requires that the independent auditor shall perform at least the following tasks: (1) determine whether the recipient expended all Measure X funds received in compliance with Measure X, the Measure X Investment Plan, and the Policies & Project Descriptions, as they may be adopted or amended by TAMC from time to time, and the Agreement, (2) determine whether the Measure X revenues received and expended were accounted for and tracked in its own separate budget and fund titled "Transportation Safety & Investment Plan Account" and were not comingled with any other funds and that the accounting system provides adequate internal controls and audit trails to facilitate an annual compliance audit for each fund type and the respective usage and application of said funds, and (3) determine whether the County met the Maintenance of Effort requirements imposed by Measure X and State law. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state laws and regulations applicable to the County occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the County's compliance

Opinion on Compliance with the Measure X Activity

In our opinion, the funds allocated to and received by the County of Monterey for Measure X Activity, complied, in all material respects, with the compliance requirements referred to above that are applicable in accordance to the 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 for the fiscal year ended June 30, 2021.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of the Measure X activity compliance and the results of that testing for the information and use of management of the County of Monterey, California; others within the County of Monterey, California; and the Transportation Agency of Monterey County. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
December 6, 2021



**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 fiscal year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 6, 2021.

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 the 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 may exist that have not been identified.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".**CliftonLarsonAllen LLP**

Roseville, California
December 6, 2021