

EXHIBIT C



Committed to the future of rural communities.

**United States Department of Agriculture
Rural Development
California**

www.rurdev.usda.gov/ca

October 10, 2012

Will Clemens
San Luis Obispo County
Dept of Public Works
County Government Center Room 207
San Luis Obispo, CA 93408

Subject: CSA #23 Santa Margarita
Remaining Grant Money

Dear Mr Clemens:

The following is a summary of recent e-mails and phone conversations with Pete Yribarren or myself, regarding CSA #23.

In response to Jill Ogren's e-mail of 10/02/12, regarding proposed usage of remaining grant money, and our teleconference of 10/4/12, we agree in principle to move forward on the attached list provided the County stays within the following guidelines:

1. For construction-type contracts, bids will be obtained and contracts will remain under \$10,000.
2. For equipment purchases, written price quotations will be obtained from qualified sources in accordance with County procurement policies.
3. If work is completed by County crews, you will need to provide documentation from similar projects that were completed showing the specific cost savings by using County crews.
4. Additional justification will need to be submitted justifying the purchase of the trailers (items #6 & 7). While purchasing equipment is an eligible grant purpose, it is limited to equipment needed to operated and maintain the facility. Moreover, a cost/savings analysis comparing purchase and rental should be provided and logically favor the "purchase" option.
5. Once the work is completed, invoices and other documentation is to be submitted to USDA for reimbursement along with SF-271. The funds obligated for this project will not be increased. All funds need to be expended or canceled by 3/25/13.
6. The County must agree to provide an executed grant agreement for the total grant being provided.

920 E.Stowell Road. • Santa Maria, CA 93454
Phone: (805) 928-9269 x 4 • Fax: (805) 928-9644 • TDD: (530) 792-5848

Committed to the future of rural communities

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-9410

If you have any questions, do not hesitate to contact me.

Sincerely,

Alfred Correale
Programs Specialist

Cc Via e-mail only:

Janice Waddell, Community Programs Director, USDA Rural Development
Davis, CA

Pete Yribarren, Programs Specialist, USDA Rural Development
Visalia, CA

County of San Luis Obispo staff, San Luis Obispo, CA:

Jill Ogren, Tom Trott, John Diodati

Attachment: "CSA 23 Potential USDA Projects"
