

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/9/2016	(3) CONTACT/PHONE Joanne Hilker, Administrative Services Manager (805) 781-1584	
(4) SUBJECT Request to approve an amendment to the reimbursement agreement between the San Luis Obispo County Flood Control and Water Conservation District (District) and County of San Luis Obispo on behalf of County Service Area 16 (County) for the construction of the Shandon Turnout Project; and authorize a budget adjustment in the amount of \$20,000 from District reserves to complete funding for the County Service Area 16 (CSA 16) State Water Turnout; and authorize an additional \$20,000 loan from the District to align the total loan with CSA 16 (\$180,000 total loan). District 1.			
(5) RECOMMENDED ACTION It is recommended that the Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District): <ol style="list-style-type: none"> 1. Approve and execute an amendment to the "County Reimbursement Agreement for Construction of the Shandon Turnout Project"; and 2. Authorize a budget adjustment in the amount of \$20,000 from District reserves to complete the funding of the CSA 16 State Water Turnout, by 4/5 vote; and 3. Authorize an additional \$20,000 loan from the District to align the total loan with CSA 16 (\$180,000 total loan). Acting as the Board of Supervisors for the County of San Luis Obispo on behalf of County Service Area 16 (County): <ol style="list-style-type: none"> 1. Approve and execute an amendment to the "County Reimbursement Agreement for Construction of the Shandon Turnout Project"; and District. 			
(6) FUNDING SOURCE(S) County Service Area 16 Fund 2502500000	(7) CURRENT YEAR FINANCIAL IMPACT \$20,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1617002 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 7/14/15, #10; 5/5/15, #17; 4/12/13, #13; 8/28/12, #19; 1/25/11, #D-1	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 1			

Reference: 16AUG09-C-11

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Joanne Hilker, Administrative Services Manager

Straith Smith Zanartu, Finance Division Manager

VIA: John Diodati, Deputy Director of Public Works

DATE: 7/26/2016

SUBJECT: Request to approve an amendment to the reimbursement agreement between the San Luis Obispo County Flood Control and Water Conservation District (District) and County of San Luis Obispo on behalf of County Service Area 16 (County) for the construction of the Shandon Turnout Project; and authorize a budget adjustment in the amount of \$20,000 from District reserves to complete funding for the County Service Area 16 (CSA 16) State Water Turnout; and authorize an additional \$20,000 loan from the District to align the total loan with CSA 16 (\$180,000 total loan). District 1.

RECOMMENDATION

It is recommended that the Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District):

1. Approve and execute an amendment to the "County Reimbursement Agreement for Construction of the Shandon Turnout Project"; and
2. Authorize a budget adjustment in the amount of \$20,000 from District reserves to complete the funding of the CSA 16 State Water Turnout, by 4/5 vote; and
3. Authorize an additional \$20,000 loan from the District to align the total loan with CSA 16 (\$180,000 total loan).

Acting as the Board of Supervisors for the County of San Luis Obispo on behalf of County Service Area 16 (County):

1. Approve and execute an amendment to the "County Reimbursement Agreement for Construction of the Shandon Turnout Project"; and District.

DISCUSSION

Pursuant to prior Agreements between the Department of Water Resources (DWR), the Central Coast Water Authority (CCWA) and the District, the District agreed to construct the Turnout Project on behalf of and for the use of CSA 16 (Shandon). Upon completion of construction, the facilities will

be operated by CSA 16. The cost of project implementation is being covered by CSA 16 as outlined within the original County Reimbursement Agreement, however costs have been higher than original estimates due to design changes required by the DWR. With the increased costs, it is now necessary for CSA 16 to borrow an additional \$20,000.00 and amend the total loan terms. The amended County Reimbursement Agreement will allow for the repayment of up to \$180,000.

Approval of the recommended action by the District Board of Supervisors authorizes the District to construct the project on behalf of CSA 16 with costs reimbursed back to the District on a 15-year repayment plan and completes a necessary step towards project construction.

OTHER AGENCY INVOLVEMENT/IMPACT

DWR and CCWA have been involved in the planning, design and approval of the project plans.

The CSA 16 Advisory Group has been periodically updated on the project status.

County Counsel has reviewed and approved the Agreement as to legal form and effect.

FINANCIAL CONSIDERATIONS

Approval of the attached amended Reimbursement Agreement is necessary in order for the District to be reimbursed for the construction costs of the CSA 16 State Water Project Turnout and allow for the repayment over a 15-year time frame. This is necessary since the contractual relationship on State Water is with the District and not the County.

The construction of the project is budgeted and is being funded in CSA 16, however, the costs of the construction portion of the project will simply pass through the District. The addition of the \$20,000 loan will bring loaned funds to approximately \$180,000. Terms of repayment will be 15 equal annual payments for a 15-year period, due by the 30th of June each year, with interest at the County's pooled rate.

The project is currently in construction and anticipated to be complete in the first quarter of FY 2016-17.

RESULTS

Approval of the recommended actions will result in approval of an amendment to the Reimbursement Agreement for the Turnout Project to improve the community's water reliability; thereby contributing to a safe, healthy and livable community.

ATTACHMENTS

1. Vicinity Map
2. Amendment No. 1 to County Reimbursement Agreement for Construction of the Shandon Turnout Project

File: 300463

Reference: 16AUG09-C-11

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