



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

(1) DEPARTMENT Public Works		(2) MEETING DATE 12/15/2020		(3) CONTACT/PHONE Jill Ogren, Utilities Project Engineer (805) 781-5263	
(4) SUBJECT Submittal of a resolution designating the Director of Public Works, or his designee, as the authorized representative to file an application and execute a financial assistance agreement with the State Water Resources Control Board on behalf of San Luis Obispo County Service Area No. 16 for funding for planning and preliminary engineering associated with needed capital improvement projects. District 1.					
(5) RECOMMENDED ACTION It is recommended that the Board approve a resolution designating the Director of Public Works, or his designee, as the authorized representative to file an application and execute a financial assistance agreement with the State Water Resources Control Board on behalf of San Luis Obispo County Service Area No. 16 for funding for planning and preliminary engineering associated with needed capital improvement projects.					
(6) FUNDING SOURCE(S) Fund Center 587 - County Service Area 16		(7) CURRENT YEAR FINANCIAL IMPACT N/A		(8) ANNUAL FINANCIAL IMPACT N/A	
(9) BUDGETED? N/A					
(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 checked="" type="checkbox"/> Resolutions <input 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: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Kristin Eriksson					
(18) SUPERVISOR DISTRICT(S) District 1					

Reference: 20.152



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works
Jill Ogren, Utilities Project Engineer

VIA: Mark Chiamonte, Utilities Division Manager

DATE: 12/15/2020

SUBJECT: Submittal of a resolution designating the Director of Public Works, or his designee, as the authorized representative to file an application and execute a financial assistance agreement with the State Water Resources Control Board on behalf of San Luis Obispo County Service Area No. 16 for funding for planning and preliminary engineering associated with needed capital improvement projects. District 1

RECOMMENDATION

It is recommended that the Board approve a resolution designating the Director of Public Works, or his designee, as the authorized representative to file an application and execute a financial assistance agreement with the State Water Resources Control Board on behalf of San Luis Obispo County Service Area No. 16 for funding for planning and preliminary engineering associated with needed capital improvement projects.

DISCUSSION

Shandon is a small and isolated community whose water system, County Service Area No. 16 (CSA 16), serves 352 residential parcels with the potential to grow to 530. A Water Master Plan, written in 2004, identified critical capital improvements for the water system. Since 2004, only a few minor improvements have been completed due to lack of financial capability. An income study was performed in 2019 by the Rural Community Assistance Corporation (RCAC) and identified the Median Household Income (MHI) to be roughly \$45,000. This MHI qualifies the community as disadvantaged (DAC) for five years from the survey date (June 2024). This allows CSA 16 to be eligible for free grant funding and low interest loans.

Projects identified as essential in upgrading the system to meet current requirements and optimize operations of the system include, providing additional water storage, upsizing the main pipeline on Centre Street, and replacing all water meters. Per the Master Water Plan, approximately 434,000 gallons of additional storage is needed to provide emergency storage, reduce peak-hour pumping, and ensure adequate pressure throughout the system. Appropriate pressure throughout the system is vital

to preventing back-flow into the water system, ensuring the community continues to have safe drinking water. Lack of storage and limited fire flow presents a significant public safety hazard due to lack of preparedness in a highly vulnerable area. The nearly 50-year-old water system was established in 1972 and now has a significant portion of pipelines and water services that are old and/or undersized. Approximately 2,750 linear feet of pipe needs to be upsized to support pressure equalization and fire flow for the community. New meters ensure billing is equitable and accurate. New meters also allow the community to monitor conservation efforts. The Board of Supervisors, via the Proposition 218 process, recently approved increased water service charges to keep up with maintenance of the aging system. Implementation of the water service charge increase has been temporarily deferred due to COVID-19. However, the rate increase only supports operations and maintenance activities and *does not include funding* for needed Capital Projects, like the ones mentioned above.

Current Grant Efforts

In August 2020, CSA 16 was awarded free assistance in the amount of approximately \$30,000, through the State Water Resources Control Board (SWRCB), to partner with the RCAC to prepare a planning grant application (Work Plan No. 5743). If the grant application is successful, funding is also provided by the SWRCB. It is the intention that at the end of the planning phase, the project will be “shovel ready” and eligible for additional grant funding. The planning grant application is due December 31, 2020.

If CSA 16 is successful and awarded the financial assistance, the anticipated schedule is as follows:

- Submit planning grant application - December 2020
- Award decision announcement - August 2021
- If awarded, return to your Board to execute financial assistance agreement
- Preliminary planning and engineering begins - August 2021
- Return to your Board for certification of environmental document
- Identify and apply for implementation grant opportunities - August 2022
- If awarded implementation funds, return to your Board to execute future funding agreement
- Projects enter construction - June 2024

OTHER AGENCY INVOLVEMENT/IMPACT

The RCAC is responsible for preparing and submitting the planning application with assistance from the Utilities Division. The RCAC also offers to continue to support the County through April 30, 2021 to assist with any follow-up items.

The Shandon Area Advisory Council has been informed of needed improvement projects since 2019 as part of the median household income survey and the Prop 218 rate increase. More recently an email update was provided in September, and in November 2020 via web meeting.

If awarded financial assistance, compliance with the California Environmental Quality Act will be addressed during the planning and preliminary engineering portion of the project.

FINANCIAL CONSIDERATIONS

When *applying* for grants, there is no financial obligation. Once a grant award is offered, the Terms and Conditions will detail financial obligation. The County is only responsible to adhere to terms of grants that are accepted and executed. Although the proposed resolution authorizes the Director of Public Works to execute the Financial Assistance Agreement for SWRCB funding, the funding or financial assistance agreement outlining the terms and conditions of the award shall be presented to the Board of Supervisors for approval *prior to execution*, in addition to any necessary budget adjustments.

There is no financial obligation to CSA 16 or the County of San Luis Obispo in applying for the planning grant.

RESULTS

Your Board's approval of today's request provides the authority for staff to proceed with obtaining SWRCB funding to support critical projects and essential services thereby contributing to the County's goal of maintaining a safe, healthy, livable, prosperous and well-governed community.

ATTACHMENTS

- 1 Vicinity Map
- 2 Water Distribution Map
- 3 List of projects from the Master Plan of 2004
- 4 Resolution Designating the Director of Public Works, or his Designee, as the Authorized Representative to File an Application and Execute a Financial Assistance Agreement with the State Water Resources Control Board on Behalf of San Luis Obispo County Service Area No. 16 for Funding for Planning and Preliminary Engineering Associated with Needed Capital Improvement Projects

File: CF 320.500.01

Reference: 20.152

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