

AGENDA STAFF REPORT

MEETING NAME: SPECIAL MEETING

MEETING DATE(S): AUGUST 25, 2022

FROM: BRIAN MACY – ASSISTANT GENERAL MANAGER

FOR: ACTION DIRECTION _____ INFORMATION _____



RESOLUTION 2022-23

AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A FUNDING AGREEMENT WITH THE STATE WATER RESOURCE CONTROL BOARD FOR THE WEST VALLEY WATER RECLAMATION PROGRAM PROJECT

STAFF RECOMMENDATION

It is recommended to adopt Resolution 2022-23 and authorize the General Manager to execute the agreement for grant funding with the State Water Resource Control Board for the Regional Water Reclamation Program

SUMMARY

The Regional Water Reclamation Program (Project, aka the West Valley Water Reclamation Program) is a vital component in expanding the District's wastewater treatment capacity. Resolution 2022-23 is required by the State Water Resource Control Board (State Water Board) to enter into a grant funding agreement for the Project. Said agreement states that the State Water Board will provide up to \$68,627,837 in grant funding for the Project.

ANALYSIS

The Clean Water State Revolving Fund (SRF) provide grants and low interest loans for projects directly related to improving water quality and/or public health. The District submitted an application under the Clean Water SRF program in 2019 to finance the Project. Since that time, staff has worked closely with the State Water Board throughout the application process to answer questions, provide additional information and documents, and provide regular updates on the Project. Based on early discussions with the State Water Board, the District was eligible for up to \$16 million in grants through the Small Community Wastewater Program and the Groundwater Grant Program. In 2021, the State Water Board had identified additional grant funding for the Project from the Budget Act of 2021 (Senate Bill 129 and Senate Bill 170). The Budget Act of 2021 appropriated \$650 million to the State Water Board for wastewater projects, with priority given to septic-to-sewer conversions. Subsequently, the State Water Board approved providing up to \$68,627,837 in grant funding for the Project. The agreement attached hereto provides the details of the grant funding and requirements.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

The current project budget was amended in 2021 to \$51,000,000.00 to cover design and construction of the treatment plant only. Since that time, construction costs have continued to rise since then due to economic growth and impacts brought on by the pandemic. Notwithstanding, the proposed funding agreement includes grant funding in the amount of \$68,627,837, which is projected to cover all Project costs.

ATTACHMENT

Resolution 2022-23 with Exhibit A (Final Funding Agreement No. D2101054)