

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance.

# ITEM 3.C – UPDATE ON GRANTS

NOVEMBER 29, 2018 CCSD FINANCE COMMITTEE MEETING

# DISTRICT HAS THREE POTENTIAL OUTSIDE FUNDING SOURCES THAT ARE ACTIVE

- AN EXISTING FEDERAL WATER RESOURCES DEVELOPMENT ACT (WRDA) GRANT
- AN APPLICATION TOWARDS INTEGRATED REGIONAL WATER MANAGEMENT (IRWM), CALIFORNIA PROPOSITION 1 GRANT
- PRELIMINARY EFFORTS TOWARDS A PG&E SUSTAINABLE SOLUTIONS TURNKEY PROGRAM PROJECT

# FEDERAL WATER RESOURCES DEVELOPMENT ACT (WRDA) GRANT

- MARCH 30, 2001 & MARCH 21, 2002 – CCSD BOARD AUTHORIZED LETTERS TO CONGRESSWOMAN CAPPS' OFFICE REQUESTING FUNDING FOR DISTRICT'S DESALINATION PROJECT
- FEDERAL AUTHORIZATION FOLLOWED VIA THE WATER RESOURCES DEVELOPMENT ACT, WHICH IS A 75% FEDERAL & 25% LOCAL SHARE GRANT ADMINISTERED BY THE US ARMY CORPS.
  - CAMBRIA CSD RECEIVED A \$10.3 MILLION FEDERAL AUTHORIZATION (75% OF PROPOSED \$13.7 MILLION PROJECT)
  - CAMBRIA CSD SUBSEQUENTLY OBTAINED LOCAL SHARE CREDIT OF \$3,000,000 FROM PAST PROJECT EXPENDITURES
  - A KEY WORK PRODUCT INCLUDED THE NOVEMBER 27, 2013 CAMBRIA WATER SUPPLY ALTERNATIVES ENGINEERING TECHNICAL MEMORANDUM

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# FEDERAL WATER RESOURCES DEVELOPMENT ACT (WRDA) GRANT -CONTINUED

- THE 2013 ALTERNATIVES REPORT (WHICH INCLUDED FACILITATED PUBLIC WORKSHOPS) FOUND THE BRACKISH WATER SUPPLY ALTERNATIVE TO BE THE MOST TECHNICALLY FEASIBLE.
- FOLLOWING COMPLETION OF THE 2013 REPORT, THE CCSD'S RESOURCES WERE DIVERTED TO THE WATER SUPPLY EMERGENCY BROUGHT ON BY THE SEVERE DROUGHT
- THE CCSD USED THE 2013 REPORT AS A SPRINGBOARD IN DEVELOPING THE SUSTAINABLE WATER FACILITY PROJECT (AKA EMERGENCY WATER SUPPLY PROJECT), WHICH WAS FURTHER SIMPLIFIED AND REDUCED IN SCOPE WHEN COMPARED TO THE 2013 ALTERNATIVE
- APPROXIMATELY \$7 MILLION REMAINS UNEXPENDED FROM THE ORIGINAL GRANT

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# FEDERAL WATER RESOURCES DEVELOPMENT ACT (WRDA) GRANT -CONTINUED

- GRANT HAS BEEN IN A SUSPENDED STATE & WILL NEED AN UPDATED PROJECT MANAGEMENT PLAN & RELATED ACE/CCSD EFFORTS TO RESTART WORK
- OPPORTUNITIES MAY EXIST FOR IMPROVING UPON THE SWF, FOR EXAMPLE;
  - REDUCING AND ADDRESSING DISPOSAL OF REVERSE OSMOSIS REJECT WATER
  - SOLAR ARRAY
- BECAUSE AUTHORIZATIONS ARE NOT FUNDING APPROPRIATIONS, THE CCSD WOULD NEED TO WORK CLOSELY WITH ACE TO MAKE SURE THE PROJECT IS INCLUDED IN THE ANNUAL ACE BUDGETING/APPROPRIATION PROCESS.

# INTEGRATED REGIONAL WATER MANAGEMENT (IRWM), CALIFORNIA PROPOSITION 1 GRANT

- GRANT IS SUBJECT TO BEING UNDER THE COUNTY-WIDE INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PROGRAM. (THE CCSD PREVIOUSLY AGREED TO BE PART OF THE IRWM VIA AN MOU.)
- SLO COUNTY IS THE LEAD IN APPLYING TO THE STATE FOR THE PROP 1 IRWM GRANT FUNDING
- GRANT FUNDING VIA IRWM IS TYPICALLY SUMMARIZED DURING THE COUNTY'S MONTHLY WATER RESOURCE ADVISORY COMMITTEE (WRAC) MEETINGS. MORE DETAILED DISCUSSIONS & UPDATES OCCUR DURING PERIODIC REGIONAL WATER MANAGEMENT GROUP (RWMG) MEETINGS
- BECAUSE THE FINAL PROPOSAL SOLICITATION PACKAGE FOR PROP 1 IS NOT EXPECTED TO BE RELEASED UNTIL THE SPRING, THE NEXT RWMG MEETING HAS BEEN POSTPONED TO FEBRUARY 2019. THESE MEETINGS TYPICALLY START AT 10 AM AT THE SLO PUBLIC LIBRARY AND OCCUR BEFORE THE REGULAR WRAC MEETING THAT STARTS AT 1:30 PM. THE WRAC MEETS THE FIRST WEDNESDAY OF THE MONTH.
- IF SUCCESSFUL, THE CURRENT PROP 1 GRANT WOULD BE BASED ON 50% STATE FUNDING AND 50% LOCAL FUNDING

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# INTEGRATED REGIONAL WATER MANAGEMENT (IRWM), CALIFORNIA PROPOSITION 1 GRANT - CONTINUED

- THE STATE ALLOCATED PROP 1 FUNDS BY AREAS WITHIN THE STATE.
- THERE ARE TWO PLANNED ROUNDS FOR THE STATE ALLOCATED FUNDS; ROUND 1 AWARDS ARE ESTIMATED TO OCCUR DURING 2019, WHILE ROUND 2 AWARDS WOULD OCCUR DURING 2020.
- APPROXIMATELY \$2.9 MILLION IS ESTIMATED TO BE AVAILABLE COUNTYWIDE PER EACH GRANT ROUND FOR PROJECTS SUCH AS THE ONE SUBMITTED BY THE CCSD.
- THE CURRENT ROUND OF PROP 1 FUNDING REQUIRED SUBMITTING A PROJECT SUMMARY BY MAY 23, 2017 TO COUNTY PUBLIC WORKS, WHICH CCSD STAFF COMPLETED. AN UPDATED PROJECT SUMMARY AND RANKING WAS DUE TO THE COUNTY BY AUGUST 31, 2018, WHICH CCSD STAFF COMPLETED
  - THE CCSD SUBMITTED A PROPOSED WASTEWATER PROJECT ENTITLED “WWTP NUTRIENT REMOVAL AND EFFICIENCY IMPROVEMENTS.”
  - TO IMPROVE COMPETITIVENESS FOR LIMITED GRANT FUNDS, AND DUE TO UNKNOWNNS OVER THE RATE SETTING PROCESS AT THE TIME, THE PROJECT WAS REDUCED IN SCOPE FROM AN ORIGINAL \$3 MILLION ESTIMATE TO A \$1.4 MILLION ESTIMATE.
- A SUPPORTING CCSD BOARD RESOLUTION IS NEEDED AS PART OF THE COUNTY’S FINAL ROUND 1 GRANT APPLICATION TO THE STATE, WHICH IS ESTIMATED TO OCCUR DURING SEPTEMBER 2019.

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# INTEGRATED REGIONAL WATER MANAGEMENT (IRWM), CALIFORNIA PROPOSITION 1 GRANT - CONTINUED

- THE PROPOSED \$1.4 MILLION PROP 1 PROJECT CONSISTED OF THE FOLLOWING:

Item	Estimated Cost	Reference	Comment
WWTP Secondary Improvements	\$930,000	Engineering Estimate of the November 2014 Engineering Technical Memorandum #1, Carollo Engineers	Construction cost only
35 % mark-up for engineering, legal, & administration	\$325,500	(Ditto above)	
Subtotal	\$1,255,500		
Cost for Power Conditioning Module	\$36,105	8/24/2018 Quote from supplier (Elspec)	Equipment only
Estimated installation cost for conditioning module	25,000	Not bid to date.	CCSD District Engineer R. Gresens preliminary estimate
Estimated installed cost for new incoming power switch between PG&E provided transformer and existing main motor control center.	\$75,000	Not bid to date. Based in part on comments received during 7/16/2018 walk through with MKN electrical engineer that implied the switch could be separate and apart from the main MCC.	CCSD District Engineer R. Gresens preliminary estimate.
Total Project Estimate	\$1,391,605		
Rounded Estimate	\$1,400,000		

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# INTEGRATED REGIONAL WATER MANAGEMENT (IRWM), CALIFORNIA PROPOSITION 1 GRANT - CONTINUED

- THE \$1.4 MILLION TOTAL WILL REQUIRE A 50% LOCAL MATCH OF \$700,000
- IT WAS NOTED THAT A \$700,000, 20-YEAR STATE REVOLVING FUND LOAN AT A 3% ANNUAL INTEREST RATE WOULD BE LESS THAN \$50,000 PER YEAR
- TO DATE, ADDITIONAL DISCUSSION WITH THE FINANCE COMMITTEE IS NEEDED TO FURTHER INTEGRATE LOCAL SHARE FUNDING WITH THE CIP PROGRAM AS WELL AS THE PROPOSED PG&E TURNKEY PROGRAM (SEE SLIDES THAT FOLLOW).

# PG&E SUSTAINABLE SOLUTIONS TURNKEY PROGRAM PROJECT

- THIS APPROACH WAS PREVIOUSLY DISCUSSED WITH THE INFRASTRUCTURE COMMITTEE ON MAY 30, 2018.
- THE PG&E TURNKEY APPROACH USES DESIGN-BUILD CONTRACTING.
- PG&E CAN ALSO PROVIDE/ARRANGE FOR PROJECT FUNDING VIA ON-BILL FINANCING (ENERGY SAVINGS FROM PROJECT USED TO OFFSET CAPITALIZED PROJECT COSTS), AS WELL AS VARIOUS COMBINATIONS OF REBATES, LOANS, AND GRANTS.
- PG&E IS CURRENTLY WORKING ON A FEASIBILITY ASSESSMENT WITH THEIR ENGINEERING CONSULTANT.
- THE FEASIBILITY ASSESSMENT WILL HELP DETERMINE THE PROJECT ELEMENTS AND SCOPE OF THE PROJECT TO BE PURSUED.

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# PG&E SUSTAINABLE SOLUTIONS TURNKEY PROGRAM PROJECT

- TO DATE, A DECEMBER 2018 MEETING IS TO BE SCHEDULED TO DISCUSS THEIR INITIAL WORK EFFORTS ON THE FEASIBILITY ASSESSMENT.
- FURTHER INTEGRATION WITH ONGOING PROP 1 GRANT APPLICATION WILL LIKELY BE NEEDED.
- FURTHER DISCUSSIONS ALONG WITH UPDATES TO THE INFRASTRUCTURE AND FINANCE COMMITTEES WILL BE NEEDED.
- FOLLOWING THE FEASIBILITY ASSESSMENT, A DECISION POINT WILL BE REACHED WHERE PG&E WILL REQUIRE AN AGREEMENT WITH A FINANCIAL COMMITMENT FROM THE CCSD.