

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **JANUARY 27, 2009**

From:  **JAMES DURFEE / WILL DICKINSON**

Subject: **SHERIDAN WATER SUPPLY AND DISTRIBUTION PROJECT: GRANT APPLICATION AND BUDGET**

ACTION REQUESTED / RECOMMENDATION: It is recommended that your Board take the following actions:

1. Adopt the attached Resolution to: a) designate the Director of Facility Services as authorized representative to apply for a United States Department of Agriculture (USDA) Rural Utility Services (RUS) grant, in an amount not to exceed \$1,000,000; and b) authorize the Director of Facility Services to negotiate and execute a grant contract and any amendments upon review and approval by Risk Management and County Counsel, and certify grant disbursements.
2. Approve the attached budget revision authorizing a contribution of \$125,000 from the FY 2008/09 General Fund Contributions to Facilities and Infrastructure Budget to the Capital Projects Fund in FY 2008/09 to fund a new capital project known as the Sheridan Water Supply and Distribution Project.

BACKGROUND: On December 9, 2008, your Board indicated its intention to provide approximately \$570,000 in contributions from the General Fund to match a USDA grant of \$700,000 for the capital project known as the Sheridan Sprayfields Expansion Project, contingent upon approval of necessary sewer and water fee increases in County Service Area 28, Zone 6 (Sheridan Sewer Water and Lighting). By separate action, your Board also appropriated \$160,000 to the project for immediate use, leaving a balance of \$410,000 still needed to complete the project.

On January 6, 2009, the State Water Resources Control Board approved a grant of \$1,937,571 from their County Cleanup and Abatement Account to the County of Placer for completion of the Sheridan Sprayfields Expansion Project. This grant, which requires additional County matching funds of only \$140,000 instead of the \$410,000 needed under the USDA grant, was based on a previous application from us that had been denied due to lack of funding. This unexpected change of circumstances provides us with an opportunity to submit a new application to the USDA for a grant to construct water system improvements needed to lift a moratorium on new connections in that community.

As conceived at this time, the Sheridan Water Supply and Distribution Project would cost \$950,000 and could utilize \$250,000 of the matching funds no longer needed for the

wastewater project, should your Board approve this use of County funds. The project would consist of: 1) constructing a new water well with pump, chlorination building, storage tank and associated piping; 2) increasing the capacity of an existing well and providing standby power; and 3) adding 41 isolation valves to the water distribution system.

In order to move forward with the Sheridan Water Supply and Distribution Project, we need your Board's approval to submit the application. The requested funds are needed to complete design and environmental review of the project, which is required for the application to be considered complete.

ENVIRONMENTAL CLEARANCE: Approval of the recommended action is not a project as defined in the California Environmental Quality Act; however, the USDA will not consider our grant application complete from the perspective of NEPA compliance until environmental review is complete. Approving the recommended action will provide funding for that purpose.

FISCAL IMPACT: The cost to prepare a grant application and complete design and environmental review is not expected to exceed \$125,000. The USDA grant requires a minimum local match of 25%, and these expenditures would qualify as part of that match. If the application is accepted and a grant agreement is signed, we intend to return to your Board with bid documents and a request for the remainder of the matching funds. We currently estimate that another \$125,000 will be needed at that time, for a total match of \$250,000 for the USDA grant. This would result in a General Fund appropriation that is \$20,000 less than your Board agreed to commit through your action on December 9, 2008. An additional \$400,000 in funding from a development agreement with Cemex has not been included in this calculation. This additional funding is scheduled to be received by December 2011.

Based on grant requirements and your Board's action last December, staff understands that further funding for this project will be contingent upon community acceptance of fee increases for sewer and water services sufficient to fund ongoing operations.

ATTACHMENTS: RESOLUTION
BUDGET REVISION

JD:WD/KMZ

CC: COUNTY EXECUTIVE OFFICE

Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION AUTHORIZING THE
DIRECTOR OF FACILITY SERVICES TO SIGN AND FILE
A USDA RURAL UTILITY SERVICES GRANT ON
BEHALF OF THE COMMUNITY OF SHERIDAN

Resol. _____

The following RESOLUTION was duly passed by the Board of Supervisors
of the County of Placer at a regular meeting held _____
by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:
Clerk of said Board

WHEREAS, The Community of Sheridan has a need to acquire funding to construct Public Water System improvements to provide for more efficient and reliable use of the resource; and

WHEREAS, The United States Department of Agriculture administers the Rural Utility Services Grant program on behalf of the people of the United States of America and has money available for eligible water projects; and

WHEREAS, The United State Department of Agriculture requires that, in order to apply for a Rural Utility Services Grant program, the governing Board of a community designate an authorized representative to negotiate and execute a grant contract.

NOW BE IT RESOLVED by the Board of Supervisors, County of Placer, State of California, that the Director of the Department of Facility Services is hereby authorized to sign and file on behalf of County Service Area 28 Zone 6, Sheridan, all documentation required by the USDA to apply for an RUS grant in an amount not to exceed \$1,000,000 for the design and construction of the Sheridan Water Supply and Distribution Project.

BE IT FURTHER RESOLVED that the Director of Facility Services or his designee is hereby authorized to negotiate and execute a grant contract upon review and approval by Risk Management and County Counsel, and any amendments or change orders thereto and certify grant disbursements on behalf of the Department of Facility Services.

PAS DOCUMENT NO. _____

Dept = 10 Fund = 100. OCA=10/900

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
12	BR	3,625,000.00	6

- Cash Transfer Required
- Reserve Cancellation Required
- Establish Reserve Required

- Auditor-Controller
- County Executive
- Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT

APPROPRIATION ADJUSTMENT

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
12	006		140		991078	04834	7249			1,000,000.00	12	014		502	6	996806	96806	3788			125,000.00
12	006		140		991078	04834	8990			125,000.00	12	014		140		991078	04834	4151			1,125,000.00
	006		502	6	996806	96806	8780			125,000.00	12	034		140		991078	04834	4151	704834	010000	1,125,000.00
TOTAL										1,250,000.00	TOTAL										2,375,000.00

REASON FOR REVISION: TO INCREASE APPROPRIATIONS FOR GENERAL FUND CONTRIBUTION FOR THE SHERIDAN WATER SUPPLY & DISTRIBUTION CAPITAL PROJECT
PER BOARD MEMO DATED 1/27/09.

Prepared by Valerie Bayne Ext 6803
 Department Head Valerie Bayne Date: 1/27/09
 Board of Supervisors _____ Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

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