



February 3, 2022

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 7H – 2/3/2022 Board Meeting
Adopt a Resolution Designating the General Manager as the Authorized Representative to File an Application and Execute Agreements for a Water Recycling Funding Program Planning Grant.

President
Matthew D. Fourcroy

Vice President
Charles L. Cesena

Directors
Troy C. Gatchell
Marshall E. Ochylski
Christine M. Womack

General Manager
Ron Munds

District Accountant
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Unit Chief
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Battalion Chief
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STAFF RECOMMENDATION:

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution Number 2022-08 designating the General Manager as the Authorized Representative to file an application and execute agreements for a Water Recycling Funding Program Planning Grant.

DISCUSSION:

The Basin Management Committee (BMC) has been working towards developing a Transient Groundwater Model (Model) for the last two years. The Model will significantly improve the BMC's ability to understand the movement of water within the basin, the influences of drought and impacts of the Basin Plan projects on the sustainability of the groundwater basin.

The County of San Luis Obispo (County) budgeted \$150,000 to help support the development of the Model. To further leverage the value of the County's contribution, BMC staff is recommending that these funds be used as match for obtaining grant funds to further increase the groundwater management benefits and outcomes. BMC staff identified a State Water Board Water Recycled Program Planning Program that would offer such an opportunity. Obtaining the grant would double the amount of funding available and allow for not just the development of the Model, but also utilization of the Model to evaluate recycled water and other supplemental yield improvement opportunities through completion of a Water Facilities Planning Study (WRFPS Study). Potential opportunities for evaluation in the WRFPS Study are listed in the table below

Recycled Water/Water Supply Alternatives	Description
Recycled Water Agriculture Irrigation (Program D)	Distribution of recycled water to agriculture users to offset groundwater pumping.
Recycled Water Creek Discharge	Discharge of recycled water to Los Osos Creek to enhance groundwater recharge.
Surface Water Intertie	Interconnection with regional surface water conveyance system to provide access to State Water or other supplies to enable conjunctive use.
Nitrate Treatment (Program B)	Regional Nitrate Treatment Facility to allow for enhanced use of nitrate contaminated upper aquifer supplies.
Stormwater Capture	Urban or rural stormwater capture and enhanced recharge.
Upper Aquifer Capture and Treatment	Pumping nitrate contaminated upper aquifer water to the collection system for delivery and treatment at the LOWRF or directly into the recycled water distribution system.

The BMC has requested that the District act as the lead agency to secure the grant since the County is providing the matching funds and the other water purveyors are not eligible to apply. The program requires the submitting agency pass a resolution designating the Authorize Representative which is attached to this report.

To complete the WRF Study and develop the Transient Model, the BMC envisions an organizational structure where:

- District will be the lead agency and contract with the State Water Board for the WRF Grant
- District and the County will execute a Cost Reimbursement Agreement to access the \$150k in County Funding
- District will hire the consultant to complete the WRF Study
- BMC will fund and contract with the Peer Review consultant
- BMC Staff will assist in overseeing the development of the Transient Model and the completion of the WRF Study

FINANCIAL IMPACT

Keep in mind that this is a BMC project and will be funded accordingly. The following table summarizes the project costs, the portion anticipated to be covered by County and Grant contributions and the anticipated remaining cost to the BMC. The District will incur some administrative costs associated with the General Mangers time in the grant’s management. Additionally, the District will need to pay for consultant services in advance of reimbursement from the County and the State Water Board. However, no direct District funds are being requested for this proposal. There are adequate funds in the District Fund 500’s BMC budget line-item to cover Staff’s costs for this proposal.

Scope	Description	Fee Estimate
Project Management	Project Team Meetings, Schedule Management, Invoicing, Technical Advisory Committee Coordination	\$ 20,000
Transient Model	Development and calibration of a Transient Groundwater Model to assist with basin understanding, predictive modeling, Basin Plan project implementation analysis, and cost/benefit evaluations for future projects	\$ 150,000
Scenario Analysis	Utilization of transient model to evaluate benefits of recycled water and other sustainable yield improvement projects	\$ 50,000
Model Development Peer Review	3rd Party Hydrogeologist review of development of the model, calibration and scenario analysis	\$ 30,000
Supplemental Supply Alternatives Evaluation	Preliminary engineering analysis and development of updated costs estimates for implementing Basin Plan programs and recycled water and other sustainable yield improvement projects	\$ 50,000
Report Development	Development of RWFP Study Report for submission to Water Recycling Funding Program.	\$ 30,000
Total		\$ 330,000
Anticipated WRFP Grant Contribution		\$ 150,000
Anticipated County Funding Contribution		\$ 150,000
Anticipated BMC Funding Contribution		\$ 30,000

Attachment

Resolution Number 2022-08
Grant application

Date: February 3, 2022
Agenda Item No: 7H
() Approved
() Denied
() Continued to

RESOLUTION 2022-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DESIGNATING THE GENERAL MANAGER AS THE AUTHORIZED REPRESENTATIVE TO FILE AN APPLICATION AND EXECUTE AGREEMENTS FOR A WATER RECYCLING FUNDING PROGRAM PLANNING GRANT

WHEREAS, the State of California has established a Water Recycling Funding Program Planning Grant program; and

WHEREAS, the Los Osos Community Services District (District) General Manager, Ron Munds or his designee, is especially suited to ensure the grant application materials submitted by and on behalf of the Los Osos Community Services District are prepared in a complete, efficient and adequate manner; and

WHEREAS, the District General Manager, Ron Munds, has the authority to ensure that project is carried out in full compliance with the applicable terms and conditions of an agreement.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Los Osos Community Services District that:

1. The General Manager or designee is hereby authorized and directed to sign and file, for and on behalf of the District, a Financial Assistance Application for a grant agreement from the State Water Resources Control Board for the completion of the Los Osos Recycled Water and Supplemental Supply Alternatives Analysis Study (the "Project").
2. This Authorized Representative, or his designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.
3. This Authorized Representative, or his designee, is designated to represent the District in carrying out the District's responsibilities under the grant agreement, including certifying disbursement requests on behalf of the District and compliance with applicable state and federal laws.

On the motion of Director _____, seconded by Director _____ and on the following roll call vote, to wit:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District this 3rd day of February, 2022.

Matthew D. Fourcroy
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Ron Munds
General Manager and Secretary to the Board

Jeffrey A. Minnery
District Legal Counsel

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Los Osos Community Services District held on February 3, 2022.

Ron Munds, General Manager and Secretary to the Board

WATER RECYCLING FUNDING PROGRAM PLANNING GRANT APPLICATION

I. APPLICANT INFORMATION			
Agency Name: Los Osos Community Services District			
Agency Type: <input checked="" type="checkbox"/> Public – Local <input type="checkbox"/> Public - State <input type="checkbox"/> Indian Tribe <input type="checkbox"/> Nonprofit <input type="checkbox"/> Other: Specify _____			
Charter City/County: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Street Address: 2122 9th Street, Suite 110, Los Osos, CA 93402			
Mailing Address: 2122 9th Street, Suite 110, Los Osos, CA 93402			
Congressional District(s):		State Senate District(s):	
State Assembly District(s):		County (or Counties): San Luis Obispo	
Regional Water Board where the project will take place: <input type="checkbox"/> 1 (North Coast) <input type="checkbox"/> 2 (San Francisco Bay) <input checked="" type="checkbox"/> 3 (Central Coast) <input type="checkbox"/> 4 (Los Angeles) <input type="checkbox"/> 5 (Central Valley) <input type="checkbox"/> 6 (Lahontan) <input type="checkbox"/> 7 (Colorado River) <input type="checkbox"/> 8 (Santa Ana) <input type="checkbox"/> 9 (San Diego)			
Federal ID No.: 77-0504518			
Authorized Representative Name, Title: Ron Munds, General Manager			
Phone No.: (805) 528-9379		Email Address: rmunds@losososcsd.org	
General Contact Person Name, Title: Ron Munds			
Phone No.: (805) 528-9379		Email Address: rmunds@losososcsd.org	
II. PROJECT INFORMATION			
Project Title: Los Osos Recycled Water and Supplemental Supply Alternatives Analysis Study			
Total Study Cost: \$330,000			
Grant Amount Requested: \$150,000			
Estimated Project Schedule	Study starting date	Submit draft project report	Submit final project report
	03/01/22	12/01/23	03/01/24
Funds for Cash Flow: The Agency is expected to have funds available to handle cash flow of the entire study cost, Pending receipt of grant disbursements.			
Does the Agency have local funds on hand to cover the entire study cost? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Describe any other loans, grants, or other financial assistance provided to the grant applicant to assist in this study: The Los Osos Community Services District anticipates entering into a Cost Reimbursement Agreement with the County of San Luis Obispo to access \$150,000 in match funding.			

State Use Only	
WRFP Project #	
Project Manager	
Date Received	

III. PROJECT SERVICE AREA DEMOGRAPHICS

Current year Median Household Income is less than 80% of the Statewide average: DAC
or less than 60% of the Statewide average: SDAC
 not a DAC/SDAC

IV. ENVIRONMENTAL COMPLIANCE FOR PLANNING

Environmental documents completed for planning: Categorical Exemption IS/ND, IS/MND or EIR

V. REGULATORY INFORMATION AND WATER RIGHTS REQUIREMENTS

NPDES Permit and/or WDR Order No.:

Has enforcement action occurred as a result of the water quality problem? Yes No

Is your entity a water diverter and subject to section 5103 of the Water Code? Yes No

VI. DISCUSSION OF MATERIAL EVENTS, MATERIAL OBLIGATION CONDITIONS, AND ANY DEBT LIMIT

Identify any current, prior or pending material events such as bankruptcy, defaults, litigation, grant jury findings, unscheduled draws on reserve funds, substitution of insurers or their failure to perform, unscheduled draws on credit enhancements, actions taken in anticipation of filing Chapter 9, rating changes, relevant conditions in material obligations, and any local debt limit:

In 2006, the Los Osos Community Services District (District) filed for Chapter 9 bankruptcy as a result a failed attempt to construct a community wastewater project. Since the finalized terms and conditions of the bankruptcy, the District has raised its S&P credit rating to A- and has achieved financial stability by establishing adequate revenues and reserves for all facets of its operations and fiscal responsibilities.

VII. ATTACHMENTS

- 1 – Plan of Study (see attached for format)
- 2 – Authorizing Resolution/Ordinance (see attached example)
- 3 – Certification for Compliance with Water Metering (see attached)
- 4 – Water Conservation and Water Management Certification Form (see attached)
- 5 – Relevant Service, Management, Operating or Joint Powers Agreements (if applicable)

CERTIFICATION AND SIGNATURE OF AUTHORIZED REPRESENTATIVE

To the best of my knowledge and belief, I certify that I am authorized to submit this application; the information provided in this application is true and correct; the documentation has been duly authorized by the governing body of the applicant; and the entity possesses the legal authority to apply for this funding and enter into a funding agreement with the State Water Resources Control Board and conduct the proposed planning effort.

Name of Authorized Representative: Ron Munds Title: General Manager

Signature of Authorized Representative: _____ Date: _____

PLAN OF STUDY

The Plan of Study must address the following 14 areas, and describe the activities to complete the study and develop the project report:

1. A description of the recycled water service area that will be studied.
2. The potential sources of recycled water and a brief summary of the unit processes currently in use at existing treatment facilities.
3. A description of the current disposal/reuse of the wastewater that is proposed to be recycled.
4. A map of the study area showing the sources of recycled water and potential service area(s). The map should clearly show the study area boundary and boundaries of other associated agencies, such as community or sewer services districts, municipalities and water supply agencies.
5. General description of current sources of fresh water, including quantity and potential future demand.
6. Identification of the water and wastewater agencies having jurisdictions over the sources of recycled water and/or the potential service area.
7. A general description of water recycling and fresh/potable water supply alternatives that may be evaluated.
8. A description of the opportunities for stakeholder participation, for example, public meeting with the local community members, potential recycled water users, and other agencies that have a stake in the study.
9. A schedule with the start and completion dates of major tasks associated with the study.
10. A list of potential problems that may cause delays of the study and description of the proposed actions to reduce the impact of these potential problems.
11. Identification of the entities that will be conducting the study and description of their roles. This may include a description of proposed subcontracts with consultants or interagency agreements with other agencies, and any force account work.
12. Proposed budget for the study, including estimated costs of specific tasks including the recycled water market assessment, alternatives development and analysis, recommended project development, draft and final reports, and quality control.
13. Sources of financing, and sources of funds for cash flow until grant reimbursement.
14. Proposed Report outline. The applicant should consult Appendix B in the WRF Planning Guidelines for a suggested outline and list of required study subject areas¹.

¹ The applicant should review the list of study areas and develop their own report outline based on this list and include other subject areas relevant and appropriate to their study.

AUTHORIZING RESOLUTION/ORDINANCE

RESOLUTION NO: _____

WHEREAS _____ RESOLVED BY THE _____
(insert appropriate findings) *(insert name of Governing Board of the Entity)*
OF THE _____ (the "Entity"), AS FOLLOWS:
(insert Entity name)

The _____ (the "Authorized Representative") or designee is
(insert Title of Authorized Representative)
hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a grant agreement from the State Water Resources Control Board for the planning, design, and construction of _____ (the "Project").
(insert Project Name)

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the grant agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the _____ held
(insert name of Governing Board of the Entity)
on _____.
(Date)

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

CERTIFICATION FOR COMPLIANCE WITH WATER METERING REQUIREMENTS FOR FUNDING APPLICATIONS



Funding Agency Name: State Water Resources Control Board

Funding Program Name: Water Recycling Funding Program

Applicant: Los Osos Community Services District

Please check one of the boxes below and sign and date this form.

As the authorized representative for the applicant, I certify under penalty of perjury that the applicant is not an urban water supplier, as that term is understood pursuant to the provisions of section 529.5 of the Water Code.

As the authorized representative for the applicant, I certify under penalty of perjury that the applicant has fully complied with the provisions of Division 1, Chapter 8, Article 3.5 of the California Water Code (sections 525 through 529.7 inclusive) and that the ordinances, rules, or regulations submitted with this certification as listed below have been duly adopted and are in effect as of this date.

I understand that the Funding Agency will rely on this signed certification in order to approve funding and that false and/or inaccurate representations in this Certification Statement may result in loss of all funds awarded to the applicant for its project. Additionally, for the aforementioned reasons, the Funding Agency may withhold disbursement of project funds, and/or pursue any other applicable legal remedy.

Ron Munds

General Manager

Name of Authorized Representative
(Please print)

Title

Signature of Authorized Representative

Date

WATER CONSERVATION & WATER MANAGEMENT CERTIFICATION FORM FOR COMPLIANCE WITH DIVISION 6 OF THE CALIFORNIA WATER CODE

REQUIRED FOR ALL WRFPP FUNDING APPLICATIONS



Funding Agency Name: State Water Resources Control Board

Funding Program Name: Water Recycling Funding Program

Applicant: Los Osos Community Services District

Please check one of the boxes below and sign and date this form.

As the authorized representative for the applicant, I certify under penalty of perjury that the applicant is a water supplier, as that term is understood pursuant to the provisions of the California Water Code and has complied with all applicable provisions of Division 6 of the Water Code.

As the authorized representative for the applicant, I certify under penalty of perjury that applicant is not a water supplier, and the applicant certifies that the water suppliers in its service or project area have complied with all applicable provisions of Division 6 of the Water Code.

I understand that the Funding Agency will rely on this signed certification in order to approve funding and that false and/or inaccurate representations in this Certification may result in loss of all funds awarded to the applicant for its project. Additionally, for the aforementioned reasons, the Funding Agency may withhold disbursement of project funds, and/or pursue any other applicable legal remedy.

Ron Munds

Name of Authorized Representative
(Please print)

General Manager

Title

Signature of Authorized Representative

Date