



Board Agenda Item 56

DATE: July 12, 2022

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Amendment I to Agreement with Malaga County Water District
(CDBG 19451)

RECOMMENDED ACTION(S):

Approve and authorize Chairman to execute Amendment I to Agreement No. 20-143 with the Malaga County Water District for the Malaga Fire Hydrant Improvements, Community Development Block Grant Project No. 19451, effective upon execution with no change in the term to December 1, 2022, and increasing the maximum Community Development Block Grant funding by \$200,000, to a total Community Development Block Grant funding amount not to exceed \$450,000.

The recommended action will provide an additional \$200,000 in Community Development Block Grant (CDBG) funds to the Malaga Fire Hydrant Improvements (Project), increasing the CDBG funds from \$250,000 to \$450,000. The additional funds are needed due to increased construction costs. The total Project cost is estimated at \$556,000. This item pertains to locations in Districts 3 and 4.

ALTERNATIVE ACTION(S):

Your Board may choose to not approve the recommended amendment, which may result in the District needing to reduce the scope of work of the Project to complete the Project without significantly exceeding the expected Project cost.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The total estimated Project cost will increase from \$356,000 to \$556,000 due to increased construction costs. The recommended amendment will increase CDBG funding from \$250,000 to \$450,000. The additional CDBG funds are included in the Department of Public Works and Planning - Community Development Block Grant Org 7205 FY 2022-23 Proposed Budget. CDBG funds are provided on a reimbursement basis. The District's local financial contribution necessary to complete the Project remains unchanged at \$106,000.

DISCUSSION:

On June 4, 2019, your Board approved the 2019-20 Unincorporated Area Projects list as part of the Annual Action Plan, which included the Project on the Back-Up list should funding become available. Due to year-end cost savings from other CDBG activities, in April 2020, there were sufficient funds available for the Project.

On April 14, 2020, the Board approved Agreement No. 20-413 for the Project, then estimated at \$356,000.

The agreement provided \$250,000 in CDBG funds to the District, on a reimbursement basis, for the repair and replacement of broken and/or missing fire hydrants at various locations within the District's boundaries. The agreement also provides that inoperable water valves will be replaced. The Project will improve fire protection services for all residents of the District. The District is providing a local financial contribution of \$106,000 for costs beyond the \$250,000 CDBG allocation.

On October 29, 2021, the Director of Public Works and Planning approved an extension to the close-out date of the Project to December 1, 2022, pursuant to Section VII of the Agreement.

On January 8, 2022, bids for the Project were received. Bids significantly exceeded estimated costs. The District requested additional CDBG funds to be able to complete the Project. On April 13, 2022, the Housing and Community Development Citizens Advisory Committee considered and voted to recommend the Board approve up to \$200,000 in additional CDBG funds be made available to the District for the Project, if available, consistent with the requirements of the County's Citizen Participation Plan. On May 6, 2022, staff determined that \$200,000 in CDBG funds were available for the Project due to savings from other activities, which would allow the completion of all proposed improvements by December 1, 2022.

The Project cost increased due to increased costs of materials and construction. The recommended amendment will increase the total CDBG funds allocated to the Project to offset increases in construction costs. All remaining provisions of the agreement will remain in full force and effect.

REFERENCE MATERIAL:

BAI #31, April 14, 2020

BAI #14, June 4, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

Location Map

On file with Clerk - Amendment to Agreement with Malaga County Water District

CAO ANALYST:

Salvador Espino