



Board Agenda Item 40

DATE: August 21, 2018

TO: Board of Supervisors

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

SUBJECT: Amendment to Agreement with the Del Rey Community Services District

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment I to Agreement No. 17-427 with the Del Rey Community Services District for the Del Rey Emergency Generators and Sewage Grinder Project, Community Development Block Grant Project No. 16151, effective upon execution with no change in the term to March 4, 2019 and increasing the maximum by \$160,560 to a total of \$410,560.

Approval of the recommended action will provide additional Community Development Block Grant (CDBG) funding for the Del Rey Emergency Generators and Sewage Grinder Project (Project), originally approved by your Board on August 8, 2017. The additional funds are needed due to increased construction costs. This item pertains to locations in District 4.

ALTERNATIVE ACTION(S):

If the proposed amendment is not approved, the Del Rey Community Services District (District) would be unable to complete the Project, and would be required to repay CDBG funds expended to date. An amendment to the 2016-17 Action Plan would be required to delete the Project.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The recommended amendment will increase CDBG funding for the Del Rey Emergency Generators and Sewage Grinder Project from the County's unincorporated CDBG allocation by \$160,560, bringing the total CDBG funding for the Project to \$410,560. The additional CDBG funds are included in the FY 2018-19 Department of Public Works and Planning - Community Development Block Grant Org 7205 Recommended Budget. CDBG funds are provided on a reimbursement basis. The District will provide a local financial contribution in excess of the CDBG funds that would be necessary to complete the Project.

DISCUSSION:

On August 8, 2017, your Board approved the Del Rey Emergency Generators and Sewage Grinder Project No. 16151 in the amount of \$250,000. The agreement provided CDBG funds to the District on a reimbursement basis for the installation of emergency diesel generators and transfer switches, including associated utility infrastructure, at two of the District's wells (No. 4 and No. 6), and the installation of a sewage grinder at the existing wastewater treatment plant headworks. The backup generators will provide a more reliable source of water during power outages and the sewage grinder will improve system reliability and decrease operational costs at the sewer treatment plant.

On December 20, 2017, the Director of the Department of Public Works and Planning approved a scope modification to include the installation of a pump and related equipment at the recently drilled agricultural well to be bid as an add-alternate item and awarded if funds allow. On February 23, 2018, the Director approved another scope modification allowing one of the emergency generators to be bid as an add-alternate, allowing the District flexibility to award the project based on bids received and funds available. On April 25, 2018, bids were received, and significantly exceeded estimated costs with even the base bid significantly exceeding available CDBG funds. The District requested additional CDBG funds to be able to award the base bid, consisting of the sewage grinder and one generator, and to award the agricultural well, which was one of the two add-alternates. In May 2018, due to year-end cost savings and program income, sufficient 2017-18 CDBG funds were available to meet the District's request.

With your Board's approval, Amendment I to Agreement No. 17-427 will increase the total CDBG funds allocated to this project from \$250,000 to \$410,560. The increase is necessary to offset higher than expected construction costs, and will allow the District to complete a substantial portion of the Project. The Del Rey Community Services District was next for funding on the 2017-18 Unincorporated Area Projects Back-Up List, as approved by your Board on August 8, 2017. On May 30, 2018, the Housing and Community Development Citizens Advisory Committee recommended the approval of the additional funds requested. The additional CDBG funds (\$160,560) are available from the County's unincorporated allocation due to cost savings from other CDBG activities. All remaining provisions of the agreement will remain in full force and effect.

OTHER REVIEWING AGENCIES:

Amendment I to the Agreement has been reviewed and approved by the Del Rey Community Services District.

REFERENCE MATERIAL:

BAI #10, August 8, 2017
BAI #48, August 8, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Map
On file with Clerk - Amendment I to Agreement 17-427 with Del Rey Community Services District

CAO ANALYST:

Sonia M. De La Rosa