



Board Agenda Item 44

DATE: January 6, 2026

TO: Board of Supervisors

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

SUBJECT: Agreement with the Tranquillity Public Utility District for the Tranquillity Emergency Generator Project (CDBG 25711)

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute Agreement with the Tranquillity Public Utility District for the Tranquillity Emergency Generator, Community Development Block Grant Project No. 25711, which consists of the installation of an emergency generator and associated modifications to the site, such as surface restoration and adding a chain link fence to accommodate the new equipment at the Silveria Avenue Sewer Lift Station, effective upon execution through March 19, 2027, total Community Development Block Grant funding amount not to exceed \$300,000; and**
- 2. Approve and authorize the Director of Public Works and Planning to evaluate and grant timeline extensions and scope modifications for completion of the Project, as requested by the Tranquillity Public Utility District, in compliance with the Federal Community Development Block Grant regulations, and so long as the modifications do not change the fundamental nature of the project.**

There is no Net County Cost associated with the recommended actions. Approval of the first recommended action will provide Community Development Block Grant (CDBG) funding for the Tranquillity Emergency Generator Project (Project), included in the County's 2025-26 Annual Action Plan approved by your Board on August 5, 2025. The Project cost is estimated at \$300,000. If additional funding is necessary to complete the Project by March 19, 2027, the Tranquillity Public Utility District (District) will provide a local financial contribution to complete the Project. This item pertains to a location in District 1.

ALTERNATIVE ACTION(S):

Your Board may reject the first recommended action, and direct staff to identify another project for consideration. However, rejection of the recommended action may impact the County's ability to meet its CDBG expenditure timelines set by the U.S. Department of Housing and Urban Development (HUD). Your Board may also elect not to approve second recommended action, requiring any modifications to the timeline or scope to come to your Board for approval, resulting in delays to the Project. In such an event, the recommended agreement would need to be modified to delete those provisions.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. The total estimated Project cost of \$300,000 from the County's unincorporated area allocation is included in the Department of Public Works

and Planning (Department) - CDBG Org 7205 FY 2025-26 Adopted Budget. The County provides the funds on a reimbursement basis. The District shall provide any and all local financial contribution in excess of the CDBG funds that may be necessary to complete the Project.

DISCUSSION:

On August 5, 2025, your Board approved the 2025-26 Unincorporated Area Projects list as part of the 2025-26 Annual Action Plan. The Project, which was approved by your Board for inclusion in the 2025-26 Annual Action Plan, consists of the installation of an emergency generator and associated modifications to the site, such as surface restoration and adding a chain link fence to accommodate the new equipment at the Silveria Avenue Sewer Lift Station. Fuel sources for the generator will be limited to containers that are not considered a hazard as defined in 24 CFR 51.201.

In addition to requiring the District to provide local funds in excess of the CDBG funds should it be necessary for the Project, the recommended agreement requires the District to prepare design plans and specifications that conform to Federal and State regulations governing Federally-assisted projects. The District will also be responsible for advertising and awarding of the Project to the lowest responsible bidder, and completion of the necessary construction engineering. The County agrees to review and approve the plans and specifications for compliance with Federal and State regulations prior to the District advertising the Project for bid. The District agrees to maintain the Project after project completion.

CDBG regulations at 24 CFR 570.200(h) permit the District, as a subrecipient, to incur pre-award costs for the Project beginning with the start of the 2025-26 program year on July 1, 2025, and submit such costs for payment under the recommended agreement. As the payment of such incurred costs is dependent on the approval of the recommended agreement, any pre-award costs have been incurred by the District at its own risk.

Environmental Review No. CD25711 was completed for the Project under the provisions of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). Based on the environmental review, the Project is categorically exempt from the provisions of the CEQA Guidelines under Section 15301, Class 1 - Existing Facilities. Under Section 15301, a Class 1 exemption consists of the operation, repair, maintenance or minor alteration of existing public facilities involving negligible or no expansion. It has also been determined that the Project is exempt per Section 58.34 (a)(12) of the NEPA Guidelines because the Project meets the requirements for a categorical exclusion under Section 58.35 (a) (1).

The Project is expected to be completed by March 19, 2027. In the event the District requires additional time to complete the Project for a reason beyond the control of either party to the agreement, your Board's approval of the recommended agreement and the second recommended action authorizes the Director of the Department to grant such an extension. In the event the District requests to modify the scope of the Project, your Board's approval of the agreement and second recommended action authorizes the Director of the Department to grant such a modification, so long as the modification complies with the Federal CDBG regulations and does not change the fundamental nature of the Project.

With your Board's approval, the recommended CDBG allocation of \$300,000 will be made to the District for the Project, which was included in the County's 2025-26 Annual Action Plan.

REFERENCE MATERIAL:

BAI #16, August 5, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

Location Map

On file with Clerk - Agreement with Tranquillity Public Utility District

CAO ANALYST:

Dylan McCully