

**ATTACHMENT 4**

Resolution 16-130 Authorizing the Submission of a  
Financial Assistance Application to the SWRCB



AGENDA ITEM NO.

C-9

# COUNTY OF HUMBOLDT

For the meeting of November 15, 2016

Date: November 2, 2016

To: Board of Supervisors

From: John Ford, Director of Planning and Building Department 

Subject: Application to State Water Resources Control Board for Samoa Wastewater Planning and Design

RECOMMENDATION(S):

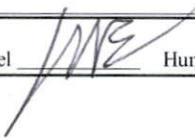
That the Board of Supervisors:

Adopt the attached resolution authorizing the submission of a Financial Assistance Application to SWRCB for planning and design of Samoa wastewater system; and authorization for the Director of Planning and Building to act on behalf of the County, in matters pertaining to the Application.

SOURCE OF FUNDING: State Water Resources Control Board (SWRCB), Clean Water State Revolving Loan Fund

DISCUSSION: In 2014 grant funds from the State of California Community Development Block Grant (CDBG) and the Department of Commerce Economic Development Administration (EDA) were secured to evaluate reusing the Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD) existing ocean outfall pipe for the disposition of wastewater on the Samoa Peninsula. Studies determined that it was feasible and a wise way to dispose of treated effluent. Studies related to the permitting process were started at this time. There is additional work to be done which includes determining how many rate payers will

Prepared by Paula Mushrush CAO Approval 

REVIEW:	Auditor _____	County Counsel 	Human Resources _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other \_\_\_\_\_

PREVIOUS ACTION/REFERRAL:

Board Order No. \_\_\_\_\_

Meeting of: \_\_\_\_\_

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**

Upon motion of Supervisor  Seconded by Supervisor 

Ayes 

Nays \_\_\_\_\_

Abstain \_\_\_\_\_

Absent \_\_\_\_\_

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: November 15, 2016

By: 

Kathy Hayes, Clerk of the Board

use the system, how the effluent will be collected, treated, and transported to the outfall for discharge and how much it would cost to construct and operate a full wastewater system. There are also additional studies needed to carry this project forward.

The State Water Resources Control Board recently announced the availability of planning and design funds for projects in rural areas that lead to protecting water quality. A copy of the State Revolving Fund program is included as attachment B. The County will be applying under is Section 4.a, SGC Planning Grants. The County staff, Districts operating on the peninsula, engineering firms, several oversight agencies and developers have met to come up with a competitive study that will further the efforts of creating a system.

The Study includes the following activities:

- Evaluate collection and treatment system options for Fairhaven and other commercial and industrial facilities on the Peninsula, including evaluation of coordinated treatment options for the Samoa Town site and select a preferred alternative for implementation that is protective of water quality
- Evaluate the condition of the existing septic systems of potential commercial and industrial connections to the proposed wastewater system
- Conduct Environmental studies needed to identify impacts and mitigations and complete project permitting
- LCP Amendment for new treatment system on the Peninsula and associated items
- CEQA/ EIR for proposed wastewater system including addressing as needed LCP amendment
- Develop a draft agreement between CSD and Harbor District for the Outfall Usage
- Determine eligibility status of lots in question for future development and connection to the wastewater system.
- Public meetings to discuss the development of a wastewater system.

The attached resolution authorizes and directs the Director of Planning and Building to sign and submit a grant application and to act on behalf of the County in all matters pertaining to the County.

**FINANCIAL IMPACT:** It is anticipated that the grant in the amount of \$500,000 - \$1,000,000 will be awarded summer, 2017 and take one to two years to complete. The administrative costs are estimated to be \$20,000 which will be paid for by the grant.

This meets the Board of Supervisors Strategic Framework by seeking outside funding to provide for and maintain infrastructure.

**OTHER AGENCY INVOLVEMENT:** The Samoa Fire District is going through the Local Area Formation Commission (LAFCO) to become a Community Services District. Much of the work undertaken with this grant will assist in this endeavor. The HBHRCDC has been working with the county on the existing studies, and will continue to work with the County in this planning effort.

There will also be close consultation with the Northern California Regional Water Quality Board (NCRWQB) and the Coastal Commission.

**ALTERNATIVES TO STAFF RECOMMENDATIONS:** The Board could choose to not authorize the submission of this grant. This is not advised because funds for this study are the next step in securing construction funding grants.

ATTACHMENTS:

ATTACHMENT A: Resolution authorizing the submission of a Financial Assistance Application to SWRCB for planning and design of Samoa wastewater system, and authorization for the Director of Planning and Building to act on behalf of the County, in matters pertaining to the Application

ATTACHMENT B: Grant Program Summary Table Clean Water State Revolving Fund 2015-16 Program

## ATTACHMENT A

Resolution authorizing the submission of a Financial Assistance Application to SWRCB for planning and design of Samoa wastewater system, and authorization for the Director of Planning and Building to act on behalf of the County, in matters pertaining to the Application

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**  
Certified copy of portion of proceedings, Meeting of November 15, 2016

RESOLUTION NO. 16-130

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT  
AUTHORIZING AND DIRECTING THE DIRECTOR OF PLANNING AND BUILDING TO  
SIGN AND SUBMIT AN APPLICATION FOR FINANCIAL ASSISTANCE TO THE STATE  
WATER RESOURCES CONTROL BOARD, TO SIGN GRANT AGREEMENT, AND TO  
SIGN CONTRACTS TO CARRY OUT GRANT ACTIVITIES, AFTER REVIEW AND  
APPROVAL BY COUNTY COUNSEL AND RISK MANAGEMENT**

**WHEREAS**, the Board of Supervisors of the County of Humboldt (the "Entity") recognizes that that continued analysis of wastewater needs on the Samoa Peninsula is necessary to allow continued, and expanded, use of existing structures.

**NOW, THEREFORE BE IT RESOLVED**, the Director of Planning and Building (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the County of Humboldt, a Financial Assistance Application for a financing agreement from the State of Water Resources Control Board for the planning, design, and construction of a Samoa Wastewater system (the "Project").

**BE IT FURTHER RESOLVED**, 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 and any amendments or changes thereto.

**BE IT FURTHER RESOLVED**, the Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement request on behalf of the Entity and compliance with the applicable state and federal laws.

**BE IT FURTHER RESOLVED**, if the application is approved, the Director of Planning and Building, or designee, is hereby authorized to sign contracts to carry out the grant activities, after review and approval by County Counsel and Risk Management.

Dated: November 15, 2016



MARK LOVELACE, Chair  
Humboldt County Board of Supervisors

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of November 15, 2016

RESOLUTION NO. 16-130

Adopted on motion by Supervisor Fennell, seconded by Supervisor Bass, and the following vote:

AYES: Supervisors Sundberg, Fennell, Lovelace, Bohn, Bass  
NAYS: Supervisors --  
ABSENT: Supervisors --  
ABSTAIN: Supervisors --

STATE OF CALIFORNIA )  
County of Humboldt )

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By BROOKE EBERHARDT  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California

## ATTACHMENT B

Grant Program Summary Table Clean Water State Revolving Fund 2015-16 Program

Grant Program Summary Table

Entry Update: July 2016

Program:	<b>Clean Water State Revolving Fund 2015-16 Program</b> Loan/ Grant
Funding Source:	Clean Water Act Funds from EPA Administered by the State Water Resources Control Board and Proposition 1
Eligible Applicants:	Anyone with legal authority to enter into a contract with the State of California such as cities, special districts, and non-profits
Application Process:	Submit an Application to SWRCB FAAST System. Applications are continuously accepted – no deadline
Timeline:	Funds are disbursed on a first come first served basis, with consideration of need. Initial application submission, even if incomplete starts the reimbursement clock ticking.
Funding Limits:	<ul style="list-style-type: none"> <li>• See attached Table 4 from CWSRF Intended Use Plan for Principal Forgiveness.</li> <li>• Interest Rate ½ of last State GO bond sale – recently between 1-2%. May be reduced further if matching funds are provided.</li> <li>• Term up to 30 years</li> <li>• Loan amounts unlimited</li> </ul>
Program Preferences/ What makes a good project for this program  (Implementation Grants)	<p><u>Preferences (From 2016 Intended Use Plan)</u></p> <ul style="list-style-type: none"> <li>• Implement strategies to fully support the beneficial uses for all 303(d) listed water bodies by 2030</li> <li>• Improve and protect groundwater quality in high-use basins by 2030</li> <li>• Increase sustainable local water supplies available for meeting beneficial uses and ensure adequate flows for fish and wildlife habitat</li> <li>• Comprehensively address water quality protection and restoration, and the relationship between water supply, water quality, climate change, and CA’s water planning process</li> <li>• Reduce or eliminate the disproportionate impact of pollution on low-income and minority populations</li> <li>• The CWSRF Program supports the three goals of the California Water Action Plan: more reliable water supplies; the restoration of important species and habitat; and a more resilient, sustainably managed water resources system (water supply, water quality, flood protection, and environment) that can better withstand inevitable and unforeseen pressures in the coming decades.</li> <li>• Continuous improvement and application of science and technology.</li> </ul>
Eligible Projects:	<ul style="list-style-type: none"> <li>• Wastewater Facilities – Treatment, collection, land, energy upgrades</li> <li>• Recycled Water Systems – Water Conservation, efficiency and reuse projects, grey water systems, private water reuse treatment plants</li> <li>• Stormwater facilities – pipes, storage treatment, Urban stormwater MS4 projects, weather/climate related resilience planning, watershed management of wet weather discharge</li> <li>• Nonpoint source projects – septic, cluster systems, land, conservation easement, manure management BMPs, wetlands restoration</li> <li>• Landfill leachate collection/ liners</li> </ul>

TABLE 3.a: Administration Fund Balance

	7/1/15 – 12/31/15	1/1/16 – 6/30/16	7/1/16 – 12/31/16
Beginning Balance	\$21,561,866	\$21,851,059	\$18,757,797
Collected	\$4,431,291	\$3,275,738	\$3,242,850
Spent	(\$4,142,098)	(\$6,369,000)	(\$6,624,000)
End Balance	\$21,851,059	\$18,757,797	\$15,376,647

TABLE 3.b: SCG Fund Balance

	7/1/15 – 12/31/15	1/1/16 – 6/30/16	7/1/16 – 12/31/16
Beginning Balance	\$23,071,271	\$26,943,160	\$27,225,540
Collected	\$7,442,010	\$4,799,575	\$6,856,756
Spent	(\$3,570,121)	(\$4,517,195)	(\$2,990,104)
End Balance*	\$26,943,160	\$27,225,540	\$31,092,192

\*Ending Balance does not account for existing commitments

TABLE 4.a: SCG Planning Grants

Eligible Applicants:	Public agencies, 501(c)(3) non-profit organizations, federally recognized tribes and state tribes on Native American Commission consult list		
Affordability Criteria	Grant Amount		
Population <sup>42</sup>	Community MHI	Percent of Total Project Cost	Maximum Grant Per Project <sup>40</sup>
<20,000	DAC <80 percent of Statewide MHI	100 percent	\$500,000

TABLE 4.b: SCG Construction Grant

Eligible Applicants:	Public agencies, 501(c)(3) non-profit organizations, federally recognized tribes and state tribes on Native American Commission consult list				
Eligible Project Type	CWSRF-eligible wastewater projects <sup>41</sup>				
Affordability Criteria			Grant Amount		
Population <sup>42</sup>	Community MHI	Wastewater Rates as a Percentage of MHI <sup>43</sup>	Percentage of Total Eligible Project Cost	Maximum Grant Amount Per Project <sup>44,45,46</sup>	Maximum Cost Per Household / Project
< 20,000	MHI ≤ 100% Statewide MHI	≥4%	50%	\$6 million	\$30,000
	DAC <80% of Statewide MHI	≥1.5%	75% <sup>47</sup>		
	SDAC <60% of Statewide MHI	NA	100%		

<sup>40</sup> For a regional planning project, DFA may elect to approve more than \$500,000 in SCG funds, not to exceed \$500,000 in SCG funding per community included in the regional plan. A community may not receive more than \$1,000,000 in total planning costs (\$500,000 for treatment plant upgrades plus \$500,000 for collection system improvements). Notwithstanding the maximum planning grant amounts outlined herein, on a case-by-case basis, for good cause, the Deputy Director of the Division may approve additional planning grant funds. Upon DFA's determination of sufficient planning funding needs, more than 15 percent of the funds available per Prop 1 may be used to fund planning and technical assistance activities.

**TABLE 4.c: SCG Construction Grant for Septic to Sewer and Regional Projects**

Eligible Applicants:	Public agencies, 501(c)(3) non-profit organizations, federally recognized tribes and state tribes on Native American Commission consult list				
Eligible Project Type	CWSRF-eligible wastewater projects <sup>41</sup>				
Affordability Criteria			Grant Amount		
Population <sup>42</sup>	Community MHI	Wastewater Rates as a Percentage of MHI <sup>43</sup>	Percentage of Total Eligible Project Cost	Maximum Grant Amount Per Project <sup>44,45,46</sup>	Maximum Cost Per Household / Project
< 20,000	MHI ≤ 100% Statewide MHI	≥4%	50%	\$8 million	\$60,000
	DAC <80% of Statewide MHI	≥1.5%	75% <sup>47</sup>		
	SDAC <60% of Statewide MHI	NA	100%		

<sup>41</sup> Includes only: a) projects approved for funding after June 21, 2016 (consistent with the CWSRF Policy, planning and design costs incurred prior to funding approval may be reimbursed upon execution of the financing agreement) or b) Division approved cost increases approved after June 21, 2016, for planning or construction projects approved prior to June 21, 2016, if such increases are consistent with the funding criteria and limitations herein.

<sup>42</sup> With the exception of primary and secondary schools, to qualify for SCG funds, a project must be geared toward addressing primarily residential needs. Also, at least 50 percent of the dwellings or dwelling units must be the primary dwelling of permanent residents for a community or community area to qualify for SCG funds. Typically, permanent residents are those residing in the community at least six months out of the year; however, seasonal, migrant laborers can also be counted as permanent residents.

<sup>43</sup> For the purposes of calculating rates as a percentage of MHI, service charges plus other costs specifically related to the wastewater system may be considered, including but not limited to, dedicated sales tax revenue, assessments, and fees. If a CWSRF-eligible wastewater project consists of improvements to the drinking water system, the drinking water rates and charges may be considered in lieu of wastewater rates and charges. For publicly owned or non-profit-owned systems serving facilities such as primary and secondary schools, labor camps, or mobile home parks, DFA may elect to approve up to 100 percent grant up to a maximum of \$6 million. Even if 100 percent grant is approved, Division staff will review projected revenues and expenses to confirm adequate revenues to operate and maintain the project.

<sup>44</sup> To ensure that available funds are distributed to a large cross-section of communities throughout California, a single community may not receive cumulatively more than \$8 million in SCG and PF funding in any given five-year period.

<sup>45</sup> For projects that connect previously unsewered areas or join communities to regionalize wastewater treatment works consistent with the CWSRF Policy, SCG funds will be allocated to each community served by the project on a per community basis, rather than a per project basis.

<sup>46</sup> For public agencies, if project components will either reduce the demand for wastewater capacity or the energy consumption needs for publicly-owned treatment works consistent with the Green Project Reserve: Guidance for Determining Project Eligibility, and those components result in higher capital costs compared to other less water and energy efficient options, DFA may make a determination that the incremental cost increase will be provided as additional grant, above the maximum amount per project.

<sup>47</sup> For small DACs with wastewater rates at least two percent of community MHI, if the community's credit review shows inadequate revenues to afford repayment of the remaining project costs, the grant percentage may be increased to as high as 100 percent, as necessary to approve financing for the project. In addition, for small DACs with wastewater rates at least 1.5 percent of community MHI, DFA has discretion to increase the grant percentage to as high as 100 percent, if the community's unemployment rate is at least two percent higher than the statewide average, or if declining population trends or low population densities impact the community's ability to afford financing. Even if 100 percent grant is approved, Division staff will review projected revenues and expenses to confirm adequate revenues to operate and maintain the project.

TABLE 4.d: Principal Forgiveness

Eligible Applicants:	Any municipality, intermunicipal, interstate, or state agency (regardless of population, MHI, or wastewater rates) <sup>48</sup>
Project Types:	Any CWSRF eligible project consistent with the <a href="#">Green Project Reserve: Guidance for Determining Project Eligibility</a> that implements a process, material, technique, or technology to address water-efficiency or energy-efficiency goals, mitigate stormwater runoff, or encourage sustainable planning, design, and construction. This includes, but is not limited to, water or energy conservation assessments, audits, or plans, water reuse <sup>49</sup> , water or energy reducing devices, and water meters.
PF Amount <sup>50</sup> :	
1.	For water or energy conservation assessments, audits, or planning, 100 percent of actual costs up to \$35,000 in PF
2.	For all other projects, 50 percent of total, actual costs associated with water or energy conservation or sustainable planning, design, or construction up to \$4.0 million in PF <sup>51</sup>

TABLE 5: CWSRF Capitalization Grant Payments and Draw Payments

Payments				
	FFY 16 – Q1	FFY 16 – Q2	FFY 16 – Q3	FFY 16 – Q4
FFY 2016 Grant				\$95,558,000 (Date of Award)
Draws				
	FFY 16 – Q1	FFY 16 – Q2	FFY 16 – Q3	FFY 16 – Q4
FFY 2015 Grant	\$50,758,092	\$49,004,908		
FFY 2016 Grant				\$57,334,800
<b>Cumulative Draws</b>	\$50,758,092	\$49,004,908		\$57,334,800
FFY 17 – Q1 to Q4				
	FFY 17 – Q1	FFY 17 – Q2	FFY 17 – Q3	FFY 17 – Q4
FFY 2016 Grant	\$19,111,600	\$9,555,800	\$9,555,800	
<b>Cumulative Draws</b>	\$19,111,600	\$9,555,800	\$9,555,800	

<sup>48</sup> Municipality includes an Indian tribe or an authorized Indian tribal organization.

<sup>49</sup> Any water reuse project funded through the WRFPP may not additionally receive PF. Water reuse projects are limited to \$2.5 million maximum PF in all cases.

<sup>50</sup> Any project receiving CWSRF PF may not receive more than 50 percent combined PF and grant funding, regardless of the source of grant funding. Grant funding includes any funding that does not require repayment by the recipient.

<sup>51</sup> GPR projects may receive separate planning or design PF financing at a rate of 75 percent of eligible GPR planning or design costs up to a maximum of \$500,000 if requested, but the combined planning, design, and construction/implementation costs eligible for PF may not exceed the lesser of 50 percent of total eligible GPR cost or \$4.0 million.