

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No. _____

Authorizing the Director of the Monterey County Resource Management Agency to:

- a. Sign and file, for and on behalf of the County of Monterey and the San Lucas Water District, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board to fund certain pre-construction activities for a project to provide a long-term reliable water supply for the San Lucas Water District to enhance the provision and protection of the municipal drinking water supplied to consumers in the community of San Lucas; and)
- b. Provide the assurances, certifications, and commitments required for the financial assistance application.)

WHEREAS, the San Lucas Water District (“District”) is the municipal water purveyor for the unincorporated community of San Lucas; and

WHEREAS, in March 2011, the District’s sole source of water supply, a well located on land owned by Wendell J. Naraghi et al and being leased to and farmed by Mission Ranches of King City, became contaminated with nitrates in the groundwater, and the Monterey County Health Department Environmental Health Bureau (“EHB”) issued a “do not drink” order to all residents of the community of San Lucas. This order contained a directive for the District to obtain a new source of supply that meets legal water quality standards; and

WHEREAS, The County agreed to assist the District with finding a water supply solution via a series of grants that analyzed a range of alternatives via a feasibility study funded by the State’s Safe Drinking Water State Revolving Fund (“SDWSRF”); and

WHEREAS, in 2015, the County delivered to the District a Final Feasibility Study analyzing five different alternatives to construct a new long-term water supply for the District. On September 17, 2015 the District’s Board of Directors voted to select Alternative 4, purchase water from California Water Services via construction of an intertie pipeline to King City, as the Preferred Alternative. On October 19, 2015, SWRCB staff gave verbal approval for the District to proceed with the engineering design of the Intertie Pipeline alternative using grant funds; and

WHEREAS, in August 2016, citing the potential extreme cost of the Intertie Pipeline project, SWRCB directed the District and County to stop work on that alternative, and directed the District/County to conduct additional feasibility analysis of Alternative 3, a new groundwater source with treatment if required; and

WHEREAS, on October 16, 2017, SWRCB staff indicated its intention not to renew the now-expired Funding Agreement No. SRF 13P116. In a conference call on December 7, 2017, SWRCB senior financial staff directed the County to submit on behalf of the District an application for a new SRF grant to fund the additional feasibility analysis plus the remaining pre-construction activities required to make the project bid-ready. The proposed activities for the SRF grant include:

- The project-level feasibility study for the treated groundwater alternative and additional feasibility study of the alternative to consolidate with Cal Water (added per request of the District's Board of Directors at its April meeting);
- Comparison of these analyses with the completed Preliminary Engineering Report for the proposed King City Intertie Pipeline alternative;
- In consultation with SWRCB select a Preferred Alternative; and
- Completion of the environmental analysis, final engineering, acquisition of property and easements, acquisition of permits, and preparation of bid documents for the selected project; and

WHEREAS, on July 12, 2018, the District's Board of Directors approved a Resolution (Resolution 10-2018) authorizing the County to submit a new application to SWRCB for planning funds under the SDWSRF program, to fund the complete cost of the remaining pre-construction activities required to make the project bid-ready as described in the summary above, including authorizing the Director or Designee to sign the application and prepare additional feasibility studies, determine the preferred alternative, and complete the remaining planning tasks to make the project bid-ready (Attachment B); NOW, THEREFORE,

BE IT RESOLVED by the Board of Supervisors of the County of Monterey as follows:

1. The above recitals are true and correct.
2. The Director of the Monterey County Resource Management Agency ("Director") is hereby authorized and directed to
 - a. Sign and file, for and on behalf of the County of Monterey and the San Lucas Water District, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board to fund certain pre-construction activities for a project to provide a long-term reliable water supply for the San Lucas Water District and to enhance the provision and protection of the municipal drinking water supplied to consumers in the community of San Lucas; and
 - b. Provide the assurances, certifications, and commitments required for the financial assistance application.

PASSED AND ADOPTED on this 25th day of September 2018, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to wit:

AYES:

NOES:

ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book_____ for the meeting on September 25, 2018.

Dated:

File Number:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy