

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY**

DEPT: Planning and Community Development

BOARD AGENDA:5.D.1  
AGENDA DATE: March 27, 2018

**SUBJECT:**

Approval to Submit a Financial Assistance Application to the State's Clean Water State Revolving Fund Program for the Environmental, Design, and Construction of the West Modesto Sewer Infrastructure Project; and, Approval to Negotiate and Enter into an Agreement with Self-Help Enterprises for their Assistance in Applying for State Funding

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2018-0143**

On motion of Supervisor Olsen Seconded by Supervisor Withrow  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

- 1)  Approved as recommended
- 2)  Denied
- 3)  Approved as amended
- 4)  Other:

**MOTION:**

ATTEST: Elizabeth A. King  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Planning and Community Development

BOARD AGENDA:5.D.1  
AGENDA DATE: March 27, 2018

CONSENT:

CEO CONCURRENCE:

4/5 Vote Required: No

---

**SUBJECT:**

Approval to Submit a Financial Assistance Application to the State's Clean Water State Revolving Fund Program for the Environmental, Design, and Construction of the West Modesto Sewer Infrastructure Project; and, Approval to Negotiate and Enter into an Agreement with Self-Help Enterprises for their Assistance in Applying for State Funding

**STAFF RECOMMENDATION:**

1. Adopt a resolution to authorize the Director of Public Works to apply for, enter into, and sign the Financial Assistance Application for the Clean Water State Revolving Fund (CWSRF) Program from the California State Water Resources Control Board (SWRCB) for the environmental, design, and construction of the West Modesto Sewer Infrastructure Project.
2. Authorize the Director of Planning and Community Development and the Director of Public Works to negotiate and enter into an Agreement with Self-Help Enterprises (SHE) to conduct environmental assessment, co-facilitate a community engagement strategy, and apply for funding from the California State Water Resources Control Board for the West Modesto Sewer Infrastructure Project.
3. Authorize the Director of Planning and Community Development and the Director of Public Works to take any appropriate action necessary to carry out the purpose and intent of these recommendations.

**DISCUSSION:**

On March 28, 2017, the Board of Supervisors approved the prioritization model for the allocation of federal Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds which identified the top three priority areas needing sanitary sewer infrastructure as the Spencer/Marshall area, the Beverly/Waverly area, and the Rouse/Colorado area, all located in west Modesto. See Attachment 1, West Modesto CDBG Project Area Map.

The top three priority areas together have now been identified as the West Modesto Sewer Infrastructure Project, which includes approximately 1,038 residential, commercial and mixed-use parcels. These parcels currently rely on septic tanks for treatment of sewage. The Project's purpose is to provide a sanitary sewer system that

will allow property owners to abandon their existing failing septic tanks and connect to a public sewer system.

On January 30, 2018, the Board of Supervisors approved to award a contract in the amount of \$1,328,383.96 for engineering services to O'Dell Engineering for the West Modesto Sewer Infrastructure Project. The design, engineering, and construction of this project are expected to occur in multiple phases. The design for the first project phase, the Spencer/Marshall area, is anticipated to be completed by winter of 2019 with construction commencing in the spring of 2019. The County has recently designed and constructed similar natured projects that were funded by a combination of CDBG and California State Water Resource Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) funding. It is County staff's intention to apply for the same CWSRF grant to help fund the project, while utilizing CDBG funds for the local match.

This request includes Board of Supervisors authorization for staff to prepare and submit a Financial Assistance Application to the SWRCB's CWSRF program for funding of sewer infrastructure, including environmental, design, and construction of the West Modesto Sewer Infrastructure Project. The County will submit this funding application with Self-Help Enterprise's assistance, where needed and beneficial to the County's efforts.

This project requires the preparation of State and Federal environmental assessment documentation in compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).

Independent of the County's project, Self-Help Enterprises (SHE), a community development non-profit organization, applied for and received Proposition 1 Technical Assistance (TA) funding from the SWRCB to carry-out a Work Plan that enables SHE to assist Stanislaus County in preparing and submitting a regional planning application to construct sewer infrastructure in the unincorporated island communities located in west Modesto. See Attachment 2 - Proposition 1 Technical Assistance Work Plan No. 5635-A.

SHE has indicated its interest and ability to utilize its \$60,400 in TA funding to assist the County in its application for SWRCB funding and the preparation of the required environmental assessment for the top three priority areas. As part of this agenda item, staff is further requesting authorization to negotiate and enter into an agreement with SHE to formalize their involvement and partnership in pursuing additional SWRCB funding and applying Proposition 1 TA awarded funding to this project.

Specifically, this request includes Board of Supervisors authorization to the Director of Planning and Community Development and Director of Public Works to negotiate and enter into an agreement with SHE to address the following terms:

- 1) Preparation of the CEQA and NEPA documents for the West Modesto Sewer Infrastructure Project to be conducted and paid for by SHE through their contracted environmental consultant. The County will maintain project management and certification authority of the environmental documents. The

environmental review process will be completed in a timely manner, but no later than June 15, 2018.

- 2) SHE and the County will partner in conducting public outreach to keep residents and property owners in the West Modesto Sewer Infrastructure Project area apprised of project status. Outreach with the residents and property owners of the Spencer/Marshall area has already been conducted and there is support for the project. SHE will assist in outreach efforts in the Beverly/Waverly and Rouse/Colorado areas, to work with residents and property owners to verify interest in sewer infrastructure development prior to any engineering or construction being undertaken by the County. Public outreach will also include distribution of information on the process and cost for hook-up to the sewer system and financial assistance for hook-up costs for those meeting income qualifications.
- 3) SHE will assist the County, as needed, in applying for SWRCB CWSRF funding for environmental, design, and construction of the West Modesto Sewer Infrastructure Project.

Once constructed, the new sewer infrastructure will be connected to the existing sewer system owned and maintained by the City of Modesto. Prior to construction of the project, the County will enter into an agreement with the City of Modesto for ownership, operation, and maintenance of the constructed sewer improvements. Staff will return to the Board for consideration of an agreement with the City of Modesto that will transfer ownership of the improvements to the City once they are completed. Upon acceptance of the improvements, the City of Modesto will own and maintain all future sewer improvements constructed by this project. Connection of the proposed sewer infrastructure to the City of Modesto is subject to approval of the Local Agency Formation Commission (LAFCO).

#### **POLICY ISSUE:**

Board of Supervisors authorization is needed for staff to apply for State funding programs and to enter into partnership agreements with outside agencies. Approval of this item supports the Board of Supervisors' priorities of delivering efficient public services and community infrastructure to benefit residents. It will also enable the County to partner with a community organization to create a healthier community through improved infrastructure.

#### **FISCAL IMPACT:**

The total estimated cost at full build-out of the West Modesto Sewer Infrastructure Project, including environmental, design, and construction, is \$15,500,000. The project costs of the West Modesto Sewer Infrastructure Project will be phased over several years to allow use of Community Development Block Grant (CDBG) and SWRCB funding as they may be available.

While \$1,052,436 in CDBG funding is currently allocated for design and construction purposes, environmental assessment of the project must first be completed in order for project costs to be covered as project delivery costs and not administrative costs. The County's administrative costs are capped at 20% of its overall annual allocation, which is not part of the current design and construction allocation. The County Planning and Community Development Department has the administrative funding available to cover environmental assessments cost for the West Modesto Sewer Infrastructure Project area; however, independent of the County, SHE has already contracted with Dokken Engineering, an environmental consulting firm contracted by the Planning and Community Development Department for on-call environmental services, to conduct the CEQA and NEPA review for the entire West Modesto Sewer Infrastructure Project.

If this item is approved, the County will partner with SHE to utilize \$30,000 of its State TA grant to fund the environmental assessment costs. The balance of the TA grant to SHE will be used to pay for public outreach, and to assist the County in applying for SWRCB funding.

Once the environmental assessment is completed and funding released by HUD, subsequent project costs, such as design and construction, can be treated as project delivery costs. Staff will apply for financing assistance from the State and will carefully coordinate and track project costs to meet HUD funding requirements and avoid any financial liability to the County's General Fund.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended actions are consistent with the Board's priority of Delivering Efficient Public Services and Community Infrastructure by providing a sewer system that County residents can connect to in response to the health and safety concerns of failing septic systems.

**STAFFING IMPACT:**

Existing Public Works Department and Planning and Community Development Department staff is overseeing this project.

**CONTACT PERSON:**

Matt Machado, Public Works Director

Telephone: (209) 525-4153

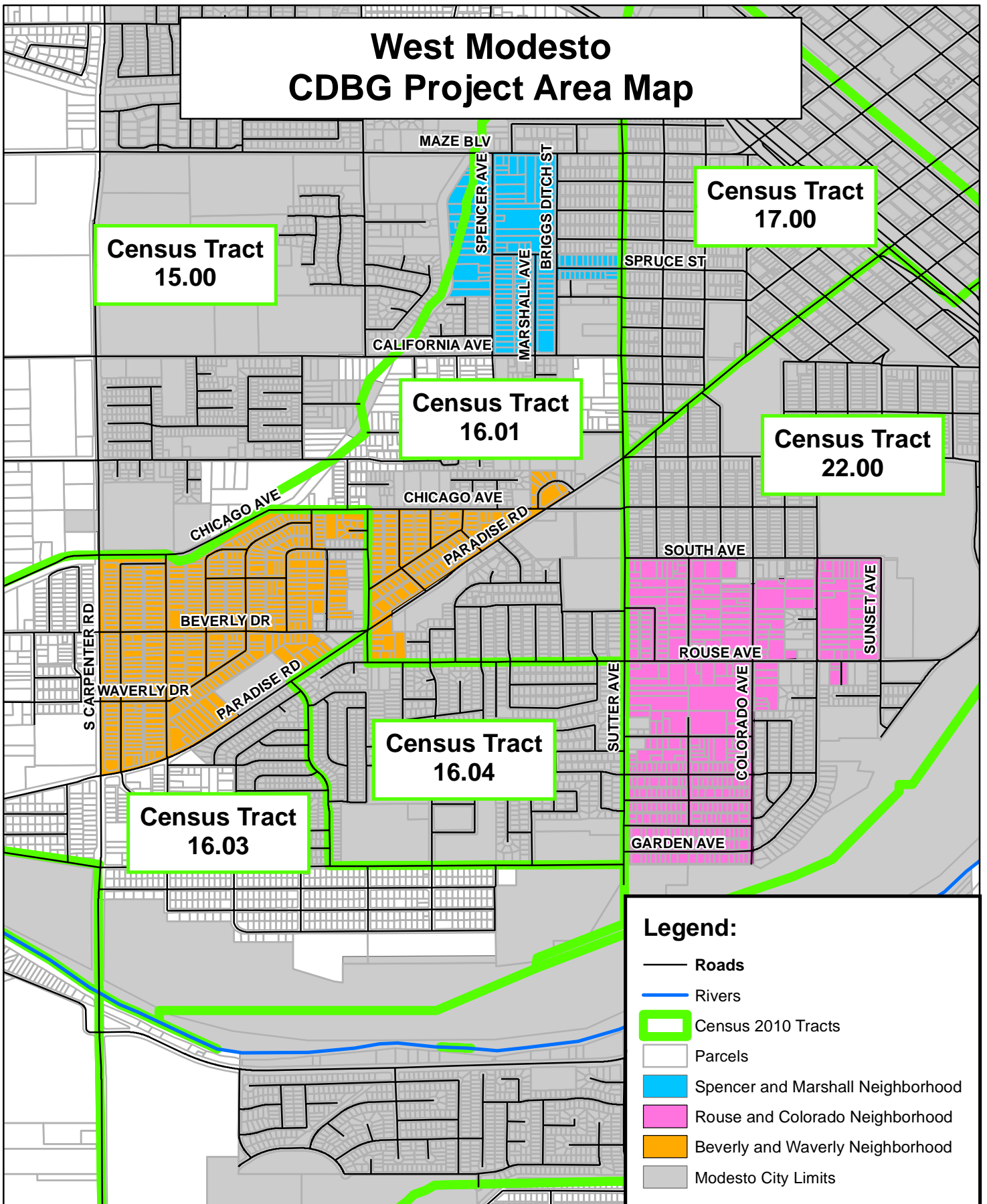
Angela Freitas, Planning & Community  
Development Director

Telephone: (209) 525-6330

**ATTACHMENT(S):**

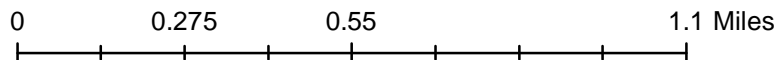
1. West Modesto CDBG Project Area Map
2. Proposition 1 Technical Assistance Work Plan No. 5635-A
3. West Modesto Sewer Resolution 3-27-18

# West Modesto CDBG Project Area Map



## Legend:

- Roads
- Rivers
- Census 2010 Tracts
- Parcels
- Spencer and Marshall Neighborhood
- Rouse and Colorado Neighborhood
- Beverly and Waverly Neighborhood
- Modesto City Limits





## PROPOSITION 1 TECHNICAL ASSISTANCE WORK PLAN

---

SELF-HELP ENTERPRISES (SHE)  
AND  
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD  
COMMUNITY DEVELOPMENT AND TECHNICAL ASSISTANCE PROGRAM

AGREEMENT NO. D16-12802

### **TA WORK PLAN NO. 5635-A** **DATED AS OF 1/22/18**

AMOUNT: \$60,400

---

Whereas through the passage of various bond acts, including Proposition 1 in November 2014, the State Water Resources Control Board (State Water Board) is authorized to make available certain general obligation bond proceeds (GO Bond Proceeds) for projects meeting certain criteria; and

Whereas the State Water Board has determined that this Project is eligible for certain GO Bond Proceeds;

Therefore, the parties mutually agree to amend the Agreement, originally executed on August 25, 2016 and incorporated herein, to add:

**TA WORK PLAN NO. 5075-A** (4 pages attached) \*\*

\*\* Entire Exhibit added

All other terms and conditions shall remain the same.

#### **RECIPIENT:**

By: \_\_\_\_\_  
Name: Thomas J. Collishaw  
Title: President/CEO

Date: \_\_\_\_\_

#### **STATE WATER RESOURCES CONTROL BOARD:**

By: \_\_\_\_\_  
Name: Leslie Laudon  
Title: Acting Deputy Director, Division of Financial Assistance

Date: \_\_\_\_\_

**Proposition 1 Technical Assistance (TA) Work Plan**

**TA Type:**                     Drinking Water     Wastewater     Storm Water     Groundwater

**Grant Agreement No.:**                    D16-12802

**TA Start Date:**                                1/22/2018

**TA Recipient(s):**                              Stanislaus County

**Community/System**

**Contact:**                                        Stanislaus County Public Works, Miguel Galvez, galvezm@stancounty.com, 209-525-6330

**Additional Community/  
System Contact (if  
applicable):**                                      \_\_\_\_\_

**Additional Community/  
System Contact (if  
applicable):**                                      \_\_\_\_\_

**Work Plan ID No.:**                              5635-A

**Work Plan Title:**                                Spencer Marshall Waste Water Project

**Work Plan Submittal Date:**                January 26, 2018

**Scope of Technical Assistance**

Stanislaus County has three county island communities within the City of Modesto that rely on individual septic tanks with either leach fields or seepage pits. Stanislaus County would like to eliminate the potential for community exposure to surfacing septic system effluent and reduce the potential for groundwater degradation. Each island is surrounded by the City of Modesto waste water collection system which provides an opportunity to consolidate with the City of Modesto.

The goal of the proposed TA is to assist Stanislaus County to prepare and submit a construction application along with the corresponding documentation needed to bring these communities off of their septic systems to connect to the existing nearby sewer system. Self-Help Enterprises (SHE) will work with the SWRCB and Stanislaus County to prepare and submit a Spencer Marshall construction application.



A. Summary of Proposed Deliverables and Activities

	<b>Deliverable</b>	<b>Notes and Details Regarding Related Activities</b>	<b>Lead TA Provider staff (also list consultants, if applicable)</b>	<b>Due Date</b>
1	Needs Assessment and Work Plan Preparation/Submittal		CD Specialist	Complete
2	Prepare CEQA & NEPA Environmental Documentation	Assist Stanislaus County in preparing environmental documentation for Spencer/Marshall, Rouse/Colorado & Beverly/Waverly communities.	CD Manager, CD Specialist, Project Tech, Engineering/Environmental Consultants	6/30/18
3	Complete SWRCB Construction Application	Assist Stanislaus County to prepare and submit application through FFAST for the Spencer/Marshall, community ready to progress into implementation.	CD Manager, CD Specialist, Project Tech, Engineering consultants	6/30/18
4	Coordinate Consolidation with City of Modesto Sewer System	Assist Stanislaus County in initiating and carrying out discussions with City of Modesto regarding consolidation as well as coordinate and develop the consolidation effort.	CD Manager, CD Specialist, Project Tech, engineering consultants	Ongoing until 12/31/18
5	Community Education and Outreach	Assist Stanislaus County in gathering community input and providing information to residents, including community meetings.	CD Specialist, Project Tech, CD Manager	Ongoing until 12/31/18

B. Estimated Budget (Direct costs, including fringe) per State Fiscal Year (SFY) \*

Budget Category	SFY 2016/17	SFY 2017/18	SFY 2018/19	Total Amount Requested
A. Personnel	\$0	\$11,400	\$15,100	\$26,500
B. Expenses and Supplies	\$0	\$1,800	\$300	\$2,100
C. Equipment	\$0	\$0	\$0	\$0
D. Travel	\$0	\$600	\$1,200	\$1,800
E. Professional and Consultant Services	\$0	\$30,000	\$0	\$30,000
<b>Total Costs</b>	<b>\$0</b>	<b>\$43,800</b>	<b>\$16,600</b>	<b>\$60,400</b>

\* Costs may be shifted between SFYs but costs within each budget category may not exceed the total amount requested. Any costs exceeding the total amount requested in each budget category will not be permitted unless the Division approves an amendment to this TA Work Plan.

**California Environmental Quality Act (CEQA) Certification**

Please indicate if all the work you will implement in connection with this work plan is consistent with one of the following CEQA exemptions:

- Feasibility and planning studies with no ground disturbing activities (CCR, Title 14, Article 18, Section 15262)
- Also includes information collection via pilot studies, test wells, boreholes, etc. (CCR, Title 14, Article 19, Section 15306)

If proposed work includes ground disturbing activities in an area(s) with a potential for environmental impacts, including riparian habitat, wetland, endangered species habitat or sensitive cultural resources areas, you must notify your GM of the nature and scope of such work and receive approval prior to commencing ground disturbing activities.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
STATE OF CALIFORNIA

2018-0143

Date: March 27, 2018

On motion of Supervisor Olsen Seconded by Supervisor Withrow  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

Item # 5.D.1

THE FOLLOWING RESOLUTION WAS ADOPTED:

**AUTHORIZE THE DIRECTOR OF PUBLIC WORKS TO APPLY FOR, ENTER INTO, AND SIGN FINANCIAL ASSISTANCE APPLICATIONS FOR THE CLEAN WATER STATE REVOLVING FUND PROGRAM FROM THE STATE WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE WEST MODESTO SEWER INFRASTRUCTURE PROJECT**

WHEREAS, the West Modesto Sewer Infrastructure Project includes approximately 1,038 residential, commercial, and mixed-use parcels that rely on septic tanks for treatment of sewage. Failing septic tanks within the neighborhoods are threatening the local water supplies and pose a public health risk; and

WHEREAS, the State Water Resources Control Board offers unique funding programs for disadvantaged neighborhoods with debt forgiveness of up to 100% depending on the neighborhood's Median Household Income; and

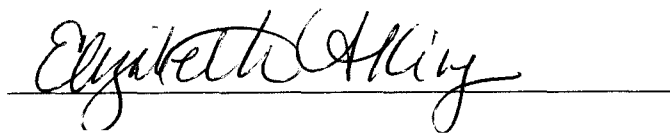
WHEREAS, the Clean Water State Revolving Fund Program (CWSRF) requires a Board approved Resolution be included with the financial assistance application.

BE IT RESOLVED by Stanislaus County Board of Supervisors that the Director of Public Works, or designee, is hereby authorized and directed to sign and file, for and on behalf of Stanislaus County, Financial Assistance Applications, as necessary, for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the West Modesto Sewer Infrastructure Project; and

Now, Therefore BE IT RESOLVED that the Stanislaus County Board of Supervisor hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the Agency has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board; and

BE IT FURTHER RESOLVED that the Director of Public Works or his/her designee of Stanislaus County is hereby authorized to negotiate and execute financial assistance agreements from the State Water Resources Control Board and any amendments or change orders thereto and certify financing agreement disbursements on behalf of Stanislaus County.

ATTEST: **ELIZABETH A. KING, Clerk**  
**Stanislaus County Board of Supervisors,**  
**State of California**



File No.