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Title: RESOLUTION - Authorizing the preparation and submission of financial assistance applications to the State Water Resources Control Board and the United States Department of Agriculture to plan, permit, design and construct water infrastructure in the Daleville Community and South Cherry Avenue area, and authorizing the Director of Public Utilities, or designee, to execute all application documents on behalf of the City of Fresno

Sponsors: Department of Public Utilities

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Attachments: 1. SWRCB Reso.pdf, 2. Exhibit A- DalevilleCommunity.pdf, 3. Exhibit B - OrangeCenterLoop.pdf, 4. Exhibit C - Daleville_Cherry.pdf

Date	Ver.	Action By	Action	Result
7/16/2015	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

July 16, 2015

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SUBJECT

RESOLUTION - Authorizing the preparation and submission of financial assistance applications to the State Water Resources Control Board and the United States Department of Agriculture to plan, permit, design and construct water infrastructure in the Daleville Community and South Cherry Avenue area, and authorizing the Director of Public Utilities, or designee, to execute all application documents on behalf of the City of Fresno

RECOMMENDATION

Staff recommends that City Council adopt a resolution authorizing the preparation and submittal of

financial assistance applications to the State Water Resources Control Board (SWRCB) and the United States Department of Agriculture (USDA) to plan, permit, design, and construct water infrastructure in the Daleville Community and South Cherry Avenue area.

EXECUTIVE SUMMARY

The Daleville Community and South Cherry Avenue area have been severely impacted by ongoing drought conditions and now face health and safety issues related to a significant number of dry wells and groundwater contamination affecting several of the remaining residential wells still in service. To address these adverse public health and safety conditions, City Council adoption of this resolution will allow the City, on behalf of the Daleville Community and South Cherry Avenue area, to submit Financial Assistance Applications to the SWRCB and USDA to plan, permit, design, and construct water-related infrastructure to meet drought related needs and ensure a safe and reliable source of potable water. No costs will be borne by the City's water utility rate payers to fund the extension of the City's public water system to serve the Daleville Community or residents along South Cherry Avenue.

BACKGROUND

The Daleville Community is located at the northeast corner of East Central Avenue and South Cherry Avenue (See Exhibit A). The community takes its name from the county road that serves the community - East Daleville Avenue. The Daleville Community covers an area of approximately 20 acres, and consists of 42 parcels. The Daleville Community is currently located outside of the City's municipal corporate limits, but within the City's Sphere-of-Influence. At this time the community has documented and confirmed dry well conditions and groundwater contamination conditions.

Alternative Water Supply Options

Since 2012, Self-Help Enterprises has been working with the Daleville Community and residents along South Cherry Avenue to review and evaluate options to address dry well conditions and contamination conditions that currently exist in the area. On Tuesday, June 16, 2015, Self-Help Enterprises convened a meeting between residents of the Daleville Community and representatives from the City of Fresno, the USDA, the SWRCB, and LAFCo to review and discuss alternative water supply options and alternative funding options. An informal survey was conducted of the 26 property owners that attended the June 16 meeting and the unanimous decision of the property owners in attendance was to work with the City of Fresno and federal and state agencies to connect to the City's public water supply system.

During fiscal year 2016, the City's public water supply system will be extended, and will be in close proximity to the Daleville Community and residents along South Cherry Avenue. The extension of the City's public water supply system in this area is being funded with a grant provided by the SWRCB. The grant funding is being made available to the City so that the City can provide a public water system connection for the Orange Center School located on South Cherry Avenue. The grant funding provided for the Orange Center School project will allow the City to construct a waterline loop that will extend south along South Cherry Avenue to East Central Avenue, then east along East Central Avenue to South East Avenue, then north along South East Avenue to North Avenue. The construction of this waterline loop with grant funding from the SWRCB will provide an opportunity for the Daleville Community to connect to the City's public water supply system at the intersection of East Daleville Avenue and South Cherry Avenue (See Exhibit B). The construction of the Orange Center School waterline loop project will also provide an opportunity for residents along South Cherry

Avenue to connect to the City's public water supply system.

Infrastructure Costs and Water Supply Impacts

The infrastructure costs to connect the Daleville Community to the City's public water supply will include approximately 1,800 linear feet of water main (8-inch in diameter) on East Daleville Avenue, service connections from the 8-inch main to the property line of each parcel, a water meter at the property line of each parcel, a connection from the water meter to the home on each parcel, and the destruction of dry and contaminated wells that currently serve the parcels once the parcels are connected to the City's public water supply system. In some instances, it may be determined that it is in the best interest of the resident and the public water system for a private well to remain in service. In these instances, the residents will be advised that their private wells will be subject to future regulation, and be assessed appropriate fees and charges, in accordance with the rules and regulations promulgated for the Sustainable Groundwater Management Act.

In the City's discussions with Self-Help Enterprises, as well as federal and state agencies, it has been determined that grant funding is available to fund the water infrastructure costs for the Daleville Community and residents along South Cherry Avenue, and no costs will be borne by the City's water utility rate payers. With regard to water supply impacts, the Daleville Community and residents along South Cherry Avenue are located within the boundaries of the Fresno Irrigation District (FID), and as a condition of connecting to the City's public water supply system, the surface water entitlements for each private property parcel that connects to the City's system will be transferred to the City's surface water entitlements with FID.

The anticipated additional connections to the City's water supply system from the Daleville Community and residents along South Cherry Avenue are shown on Exhibit C.

Federal and State Financial Support

On January 17, 2014, the Governor proclaimed a state of emergency in the State of California due to drought conditions and has authorized the California Drought Related Drinking Water Program, as administered by the SWRCB's Division of Financial Assistance (DFA), to award funds for Legal Entity Formation Assistance Grants in Fiscal Year (FY) 2015-2016. In similar recognition and acknowledgement of State drought conditions, the USDA is also accepting applications from eligible entities for funding under the Emergency Community Water Assistance Grants (ECWG) Program.

Authorized representatives from the SWRCB and USDA have expressed support for the extension of the City's public water system to the Daleville Community and residents along South Cherry Avenue, and both agencies are prepared to receive financial assistance applications from the City on behalf of the Daleville Community and residents along South Cherry Avenue to extend the City's public water supply system. Accordingly, a Resolution needs to be adopted by the Fresno City Council confirming that the City will serve as the financial assistance applicant on behalf of the Daleville Community and residents along South Cherry Avenue to apply for, administer, and manage the financial assistance funds required to plan, permit, design, and construct the extension of the City's public water supply system. Adoption of the Resolution by the Fresno City Council will initiate the financial assistance application process with the SWRCB and the USDA.

No costs will be borne by the City's water utility rate payers to fund the extension of the City's public water system to serve the Daleville Community or residents along South Cherry Avenue.

ENVIRONMENTAL FINDINGS

Authorization to submit an application for financial assistance is not a “project” for the purposes of California Environmental Quality Act (CEQA), as it is a funding mechanism or other government fiscal activity, and does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment as contemplated by CEQA Guidelines Section 15378 (b).

LOCAL PREFERENCE

The local preference was not implemented because this is not a competitive bid award.

FISCAL IMPACT

There is no impact to the General Fund, other City debt service obligations, or the City’s Water Division finances. Submission of these financial assistance applications is required to initiate the process to acquire the grant funds to plan, permit, design, and construct the extension of the City’s public water supply system. No costs will be borne by the City’s water utility rate payers to fund the extension of the City’s public water system to serve the Daleville Community or residents along South Cherry Avenue.

Attachments:

Resolution

Exhibit A - Map: Daleville Community

Exhibit B - Map: Orange Center Waterline Loop Project

Exhibit C - Map: Anticipated Connections to Public Water System