

## STAFF REPORT

<b>BOARD MEETING DATE:</b>	October 3, 2023
----------------------------	-----------------

**CATEGORY:** Consent Calendar 8

**SUBJECT:** Take the following actions regarding the “CSA No. 3-Castella Water Intake Replacement Project,” Contract No. 610471, (Project): (1) Adopt a resolution which adopts a California Environmental Quality Act (CEQA) determination of a Mitigated Negative Declaration (MND) subject to the findings; (2) approve the Project as described and defined in the MND; (3) authorize staff to move forward with the construction phase of the Project; and (4) approve a budget amendment increasing appropriations and revenue by \$1,751,000 in the CSA No. 3-Castella Water Administration Budget (BU 374).

**DEPARTMENT:** Public Works

**SUPERVISORIAL DISTRICT #:** District 4

**DEPARTMENT CONTACT:** Troy Bartolomei, Interim Director of Public Works, (530) 225-5661

**STAFF REPORT APPROVED BY:** Troy Bartolomei, Interim Director of Public Works

<u><b>Vote Required?</b></u>	<u><b>General Fund Impact?</b></u>
------------------------------	------------------------------------

4/5 Vote

General Fund Impact

### RECOMMENDATION

Take the following actions regarding the “CSA No. 3-Castella Water Intake Replacement Project,” Contract No. 610471, (Project): (1) Adopt a resolution which adopts a California Environmental Quality Act (CEQA) determination of a Mitigated Negative Declaration (MND) subject to the findings; (2) approve the Project as described and defined in the MND; (3) authorize staff to move forward with the construction phase of the Project; and (4) approve a budget amendment increasing appropriations and revenue by \$1,751,000 in the CSA No. 3-Castella Water (CSA 3) Administration Budget (BU 374).

### DISCUSSION

CSA3 diverts water from Castle Creek to serve eighty customers in Castella. The intake is over 40 years old and deteriorating. Efficiency is poor when creek flows are low. Plant upgrades are also needed. These include an improved treatment chlorination system and installation of a backup generator.

A \$500,000 planning grant was obtained from the State Water Resource Control Board. PACE Engineering, Inc., was hired to conduct project planning, environmental review, and design services. The planning and preliminary design work are now complete. Environmental studies have been conducted. Work in and around Castle Creek has the potential for environmental impacts. Offsetting mitigations have been proposed that will minimize impacts and ensure the Project will not have a significant adverse impact on the environment.

A construction grant has been secured from the California Department of Water Resources. It is sufficient to fund the replacement of the intake in Castle Creek. This is the most critical part of the needed improvements. A grant application has been submitted for the additional funding needed to construct the plant improvements. A second, future project will construct those improvements once funding is secured.

### ALTERNATIVES

The Board may decline to adopt the MND. The Project may not proceed without a CEQA determination. The Board may decline to move forward with the first phase of the improvements. Water intake from Castle Creek would continue to be inefficient and water availability could decline during drought events, potentially leaving customers with no water. The grant funds would be

forfeited.

**OTHER AGENCY INVOLVEMENT**

County Counsel has approved the resolution as to form. The recommendation has been reviewed by the County Administrative Office.

**FISCAL IMPACT**

The estimated cost of the intake improvement Project is \$1,751,000. Upon approval of the recommendation, sufficient appropriations for the project are included in the Adopted Fiscal Year 2023-24 CSA 3 Administration Budget (BU 374). The State of California Small Community Drought Relief Program will reimburse CSA 3 for project costs. CSA 3 may be in a negative cash position for periods of time while awaiting reimbursement from the State of California.

**ATTACHMENTS:**

- 1: Proposed Resolution
- 2: Proposed MND and Initial Study
- 3: Responses to Comments
- 4: CSA 3-Castella BA Memo