



November 04, 2022, Special Meeting

Staff Report

To: Biola Community Services District Board of Directors

From: Cruz Ramos, General Manager

RE: Agenda Item #4 Approval to Authorize General Manager to Secure Funding for Groundwater Recharge Project and Current Outstanding Debt Not to Exceed \$250,000

Recommendation

1. The Board asks questions to gain a full understanding of the issue.
2. The Board authorizes the General Manager to transfer a sum not to exceed \$250,000 from the District's County of Fresno's Sub-Accounts to the General Fund to bridge the DWR's Recharge Project shortfall, and to cover other outstanding debt.

Background

On October 20th at the monthly board meeting, the Board of Directors approved Item No.5, to award the Department of Water Resources Groundwater Recharge Project (Project) to the lowest bidder, Dawson Mauldin at a Special Board meeting. Board meeting discussions included, moving forward with the project, transfer of funds from District Sub-Accounts, engineer to ask DWR for a Project time extension.

Findings

- 1) **The "Project," connect FID's Herndon canal to District's storm drain basin**
- 2) **Project completion date is June 30, 2023**
- 3) **The Project depends on FIDD 'no water' flow from October to February**
- 4) **DWR \$705,000 grant, total budget \$844,287, lowest bid \$\$612,533.75 leaving a shortfall of \$139,287 (includes 10% contingency).**

Summary

District staff asked engineer and FID, if the project was doable within this timeframe (no response), staff has researched funding sources including DWR additional funding (response pending), engineer to ask DWR for another time extension, seeking USDA grant and/or loan, additional funds of \$250,000 CDBG grant (both USDA & CDBG require at least six (6) months for environmental review), staff discussed loans, lines of credit and a lien on the 5-acre vineyard with the District's bank.

Fiscal Impact

The \$250,000 transfer allows the District to bridge the Project funding gap of \$140,000 and to cover other District related deferred expenses pending other funds or loans.