



water service Rancho Colina, the City would likely need to complete upgrades within the existing water system. As with the wastewater example, the cost of this water system upgrade could be offset by financial incentives.

In 2022, the Regional Water Quality Control Board (RWQCB) contacted the City regarding the potential for Rancho Colina to connect to the City's water and wastewater utilities. Since Rancho Colina is classified as a Disadvantaged Community, there could be up to ~\$11M in grant funding available from the CWSRF and DWSRF programs to pay for infrastructure upgrades to the City's water and wastewater systems and pipelines to connect Rancho Colina. Based on a very preliminary estimate of planning and construction costs for the Rancho Colina Consolidation Evaluation Project, it is estimated that the City could be able to utilize between \$2 – 5M of the ~\$11M available to fund upgrades to its water and wastewater systems. These estimates would be further defined during the planning/design phase and the estimates of incentive funding would be updated prior to the City committing to applying for construction funding to complete the project.

Below is a timeline of project progress thus far as well as next steps:

- **9/13/22** - Council authorization for cost share agreement with Rancho Colina Mutual Water Company to prepare planning grant applications.
- **8/8/23** - Council Resolutions 51-23 and 52-23 in support of these applications.
- **4/23/24** - City planning grant applications submitted
- **9/20/25** – City notified that application is accepted and on the “funded list” with request for revised City Council resolutions.
- **11/12/25** – City Council revises resolutions. (**now**)
- **Mid 2026** – City enters into a grant agreement with State.
- **Mid 2026** – City begins evaluation to assess feasibility of project.
- **Future** – City begins/completes project design (tentative).
- **Future** – City begins/completes construction (tentative).

At any point in the process, the City can opt to withdraw from this project.

### **MODIFIED AUTHORIZING RESOLUTIONS**

The State has requested slight language modifications to Council Resolution Nos. 51-23 and 52-23. First, the State requested the removal of language referring to CWSRF in the DWSRF application and vice versa, in order to have two entirely separate authorizing resolutions. Second, the State requested language changes to specifically reference the name of the project (rather than a general description) and to match the project name to the general application forms. While making these modifications, staff reviewed the resolutions and recommends additional changes to broaden language in the resolutions as to how any incentive monies would be used by the City. This change would make the State funding to the City more flexible. All changes have been made and are contained within the attached resolutions for City Council consideration.

Staff recommends City Council adopt Resolution Nos. 55-25 and 56-25 for the CWSRF and DWSRF Grant Applications for the Rancho Colina Consolidation Evaluation Projects.

### **ATTACHMENTS**

1. Resolution No. 55-25 (CWSRF)
2. Resolution No. 56-25 (DWSRF)