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## State Water Resources Control Board

**TO:** Joe Karkoski  
Deputy Director  
**DIVISION OF FINANCIAL ASSISTANCE**

**FROM:** Kim Dinh  
Bonds Chief  
**DIVISION OF FINANCIAL ASSISTANCE**

**DATE:** April 11, 2023

**SUBJECT:** APPROVAL OF ADDITIONAL FUNDS FOR CITY OF FORTUNA  
(RECIPIENT) 12<sup>th</sup> STREET INTEGRATED STORMWATER PROJECT  
(PROJECT) GRANT AGREEMENT NO. D2112158

### **BACKGROUND**

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Prop 1) was approved by California voters in the general election on November 4, 2014. Among other funds, Prop 1 provided \$200 million for matching grants to public agencies, nonprofit organizations, public utilities, state and federally recognized Indian tribes, and mutual water companies for multi-benefit storm water management projects (Water Code section 79747).

The State Water Board adopted Proposition 1 Stormwater Grant Program (SWGP) Guidelines (Guidelines) on December 15, 2015 for Round 1 and on October 16, 2019 for Round 2. The SWGP Round 2 Guidelines authorizes the Deputy Director of the Division of Financial Assistance (Division) to utilize available funds to augment the scope of work and budget of projects previously awarded, consistent with the Guidelines.

The Project is for the purpose of constructing a low impact development storm water runoff management system along 12th Street and Fortuna High School in the City of Fortuna to reduce flooding, augment groundwater, provide urban greening and reduce pollutant loads to Rohner Creek and the Eel River (303(d) listed water body).

In March 2023, the City bid out the Project and the lowest bid came in at \$934,295. The estimated construction budget was \$854,700. The total increase in construction cost is \$79,595. The cost increase is due to escalated construction costs resulting from the persisting effects of the COVID-19 pandemic. Overall, the City requested a net increase of \$71,636 in grant funds, with a match of \$7,959.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

The City serves a disadvantaged community and is eligible for 10% match to meet the Prop 1 match requirement. The City indicated that, even with the increased total project cost, they can still meet the 10% required match.

The Prop 1 SWGP has approximately \$7.1 million in remaining funds that could be utilized to address cost increases in previously funded projects. If the requested cost increase for this project is approved, the remaining available amount for Prop 1 SWGP cost increases will be approximately \$7.0 million.

The table below summarizes the current and proposed budgets:

**Table 1:**

|                      | <b>Current</b>     | <b>Proposed Addition</b> | <b>Proposed Total</b> |
|----------------------|--------------------|--------------------------|-----------------------|
| Grant Award (Prop 1) | \$945,850          | \$71,636                 | \$1,017,486           |
| Match (10%)          | \$105,150          | \$7,959                  | \$113,110             |
| <b>Total</b>         | <b>\$1,051,000</b> | <b>\$79,595</b>          | <b>\$1,130,595</b>    |

If approved, an amendment to the Grant Agreement (No. D2112158) will be prepared to reflect the changes to the budget.

### **STAFF RECOMMENDATION**

Staff recommends approval of an additional \$71,636 in Prop 1 grant funds for the Project.

### **APPROVAL**

I, Joe Karkoski, Deputy Director of the State Water Board's Division, approve staff's recommendation described above.

Approved: \_\_\_\_\_  
 Joe Karkoski, Deputy Director  
 Division of Financial Assistance

cc: See next page

cc: Christopher Stevens  
Division of Financial Assistance

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