

Memorandum

To: Project Advisory Committee (PAC) for the Tulare-Kern Funding Area
Disadvantaged Community Involvement Program;
Denise England, County of Tulare

From: Jeff Eklund, P.E., Provost & Pritchard Consulting Group

Subject: TKFA DACIP Project Development –
Athal Mutual Water Company, IRWM Grant Application

Date: August 19, 2020

Description of Project:

The Athal Mutual Water Company (AMWC) water system has one well that supplies water to 61 homes. Repairs on the old and leaking distribution system and water losses from these lines and unmetered system users create wasted water and high operational costs. Parts of the distribution system are mostly old 2- and 4-inch leaky metal lines near septic systems and in need of replacement. The water system has no water meters.

New waterlines, service connections, and meters would conserve water, reduce operating costs and provide better management of the water supply. If not implemented the system could be impacted with well pump failure, high power costs due to water losses, exposure to bacterial contamination of the water supply thru septic sewage infiltration into broken & leaking water lines, lack of conservation incentives and increased rates to cover these operational problems.

The proposed project will increase the water supply to the members of AMWC and conserve water by promoting water use efficiency. New water lines will retain water and eliminate water losses, while meters will encourage and reward water conservation.

Project Development funding assisted AMWC in preparing the necessary technical documentation that was required for the preparation of the Implementation Grant Application that was jointly prepared with other Kern IRWM Group participants. The documentation included a review of the project design, analysis of the project benefits, cost estimation, and work plan development.

Project Development Grant Amount: \$14,000.00
Amount Spent: \$13,709.50

Stakeholder Summary:

The AMWC water system serves 61 homes (an approximate population of 225). The community has a US Census MHI of \$32,738, (Kern County, Fuller Acres CDP). Water rates are \$75 per month per user.

Project Deliverables (List Here and Attach):

- Kern IRWM Grant Application with Athal Mutual Water Company Project

Challenges Encountered:

The CA Department of Water Resources (DWR) awarded Proposition 1 grant funding to the Kern IRWM Group. AMWC received \$752,844 in grant funding for its proposed project. However, AMWC has been in non-compliance with the California Franchise Tax Board and was not able to enter into a grant agreement with DWR (see attached letter). Therefore, AMWC was not able to obtain the grant funding under this round of funding.

Agency Review:

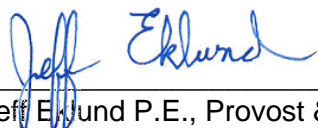
The proposed project would have involved the Division of Drinking Water in the review and implementation of the project.

Next Steps:

With the loss of funding described above, AMWC will need to rectify its Tax Board issues and pursue funding through future grant rounds or other grant programs (e.g. USDA). Much of the information developed in this grant application can be utilized for future applications.

Certification:

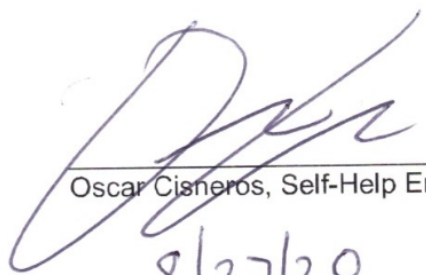
The undersigned hereby certify that the project was completed with deliverables meeting the intent of the approved project development funding.



Jeff Eklund P.E., Provost & Pritchard

8/19/2020

Date



Oscar Cisneros, Self-Help Enterprises
8/27/20

Date



Buena Vista Water Storage District

P.O. Box 756 • 525 N. Main Street
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DIRECTORS:

John Vidovich - President
Terry Chicca - Vice President
Jeof Wyrick - Secretary
Julien Parsons
Larry Ritchie

STAFF:

Tim Ashlock – Engineer-Manager
Andrew Bell – Hydrographer
Marybeth Brooks – Controller
Adam Sevier – Superintendent
Angela Thompson – Executive Assistant

July 27, 2020

Angela Gauna, Vice President
Manuel Contreras, President
Athal Mutual Water Company
5500 Tamarack Street
Bakersfield, CA 93307

RE: Proposition 1, Kern County IRWM Grant Award; Athal Mutual Water Company Project Inclusion Reconsideration

Dear Ms. Gauna,

This letter is to inform the Athal Mutual Water Company (AMWC) that the AMWC project included in the conditional award of the Proposition 1, Kern County Integrated Regional Water Management (IRWM) Grant Award is being removed from consideration. The AMWC, due to the non-compliance issue with the California Franchise Tax Board (CA FTB), is not able to enter into an agreement with the Department of Water Resources (DWR) for this grant. Based on conversations with yourself and the AMWC consultant, Self Help Enterprises (SHE), the non-compliance issue has been open for multiple months and has not been resolved. The funding allotted to the project in the total of \$754,844.00 will be returned to the DWR and will not be distributed or allocated to another project within the current conditional grant award.

The DWR placed a deadline on the conditional grant award for submitting required information, including certification of good standing and the ability to enter into an agreement with the DWR of July 28, 2020. A conference call involving all the grant project sponsors, Provost & Pritchard Consulting Group (P&P) staff, and SHE staff took place on June 26, 2020 where the documentation required for the DWR was discussed. AMWC did not attend. A separate conference call was held on June 29, 2020 after normal business hours involving P&P, SHE, and AMWC staff where the DWR required documents and deadlines were again discussed. At this meeting, AMWC committed to contacting the CA FTB to resolve the non-compliance issue.

After two weeks of no communication, despite repeated efforts by P&P and SHE staff, a conference call was held with the DWR, Buena Vista Water Storage District (BVWSD, Prop 1 Implementation Grant grantee) and SHE staff. It was determined that there had to be a resolution to the CA FTB non-compliance issue in order for AMWC to be able to enter into an agreement with the DWR. A deadline for compliance was issued for July 22, 2020.

Due to multiple instances of non-communication by AMWC staff with both P&P and SHE, revised DWR documentation has not been provided by July 10, 2020 (nor the extended deadline of July 22) to P&P, and a resolution to the CA FTB issues hasn't been made; therefore the decision to remove the AMWC project has been made.

Attempts for contacting AMWC staff were reported by P&P and SHE staff as follows:

Phone attempts: 6/17/2020, 6/19/2020, 6/25/2020, 7/1/2020, 7/2/2020, 7/6/2020, 7/8/2020 (2 attempts), 7/9/2020, 7/17/2020 (2-attempts), 7/21/2020

Emails: 6/17/2020, 6/25/2020, 6/30/2020, 7/2/2020, 7/6/2020, 7/9/2020, 7/10/2020, 7/13/2020, 7/14/2020, 7/15/2020, 7/21/2020

Text Messages: 6/25/2020, 6/26/2020, 6/30/2020, 7/2/2020, 7/6/2020, 7/9/2020

Respectfully,



Tim Ashlock, Engineer-Manager
Buena Vista Water Storage District
Proposition 1, Kern County IRWM Grantee
GMH/TA

c: Kern County IRWM Group
Maria Lorenzo-Lee, Michelle Pombrol – Department of Water Resources
David Warner, Oscar Cisneros – Self Help Enterprises, Inc.
Jeff Eklund, Gretchen Heisdorf, Donna Bond – Provost & Pritchard Consulting Group