

Los Osos Wastewater Project

San Luis Obispo County
Department of Public Works

November 3, 2009



Project Update

- **USDA Population Waiver**
 - **Coastal Development Permit**
 - **Budget Adjustment**
 - **Next Steps**
- 

USDA Population Waiver

- Approximately \$1.5 Billion of over \$3 Billion in Federal “Stimulus” funds available
 - 40-year extended term financing with low interest rates
 - 20% grant component
 - Needed a Congressional population waiver

USDA Population Waiver

One Hundred Eleventh Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the sixth day of January, two thousand and nine*

An Act

Making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2010, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2010, and for other purposes, namely:

Signed
into law by
President
Obama on
October
21, 2009

USDA Population Waiver

SEC. 726. Notwithstanding any other provision of law, and until receipt of the decennial census for the year 2010, the Secretary of Agriculture—

(1) shall consider—

(A) the unincorporated area of Los Osos, California, the city of Imperial, California, and the Harrisville Fire District, Rhode Island, to be rural areas for the purposes of eligibility for Rural Utilities Service water and waste disposal loans and grants;

- What Does This Really Mean?
 1. We are able to apply for loan/grant funds
 2. The USDA will consider our application
 3. We must apply and have funds obligated before ARRA funds run out or expire

USDA Population Waiver

- How Could the USDA Program Impact Affordability?

Estimated Savings Over Traditional Financing

<i>Estimated Assistance</i>	25% USDA	50% USDA	75% USDA	100% USDA
<i>Loan/Grant Breakdown</i>	\$33M Loan \$8M Grant	\$66M Loan 16M Grant	\$99M Loan 25M Grant	\$132M Loan 33M Grant
<i>Reduction in Monthly Assessment</i>	9%	21%	33%	46%

USDA Population Waiver

- Project First
- Complete application by end of year
- USDA determination by March

- Premature to contact USDA – No Application
- Encouraged to contact Lois Capps, Kevin McCarthy and Diane Feinstein
- Opportunity to comment during application period:
 - ARRA funds – Extremely transparent

Coastal Development Permit

- Coastal Commission appeal and staff letter
 - Limited to Condition #97
 - Provides direction on addressing Coastal issue
- Recommend public hearing on Nov. 24 to reconsider Condition #97

Budget Adjustment

- Limits expenditures prior to Coastal “Substantial Issue Hearing”
- Recommend funding for three critical items
 - Staff time to prepare for Coastal hearing
 - USDA Application and NEPA document
 - Participation in ISJ efforts to address water supply shortage

Next Steps

- January, 2010
 - Coastal Commission hearing
 - Submit USDA application
- Seek further Board direction pending outcome of Coastal Commission process
 - Design-Build efforts
 - Due-Diligence process
 - Future budget needs