



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

October 21, 2026

TO: CCWA Board of Directors

FROM: David Beard, Deputy Director

SUBJECT: Approving a Reimbursement Agreement for the Chorro Valley Access Road Repair Project - **REVISED**

SUMMARY

Resolution No. 26-13 entitled "Approving a Reimbursement Agreement for the Chorro Valley Access Road Repair Project" is presented to the Board of Directors for its consideration. Resolution No. 26-13 provides for Central Coast Water Authority (CCWA) to pay a portion of the costs for the repair of the Chorro Valley Access Road.

RECOMMENDATION

Staff recommends that the Board of Directors:

1. Approve and adopt Resolution No. 26-13 entitled "Approving a Reimbursement Agreement for the Chorro Valley Access Road Repair Project"; and
2. Find that the Board of Directors' approval of Resolution No. 26-13 is exempt for the reasons set forth in this report and to direct staff to file the applicable Notice of Exemption.

DISCUSSION

The Chorro Valley Access Road provides the sole access route to the South Portal of the Cuesta Tunnel, a critical utility crossing for regional water infrastructure as it conveys water from the Salinas Pipeline, State Water Project, and Nacimiento Water Project through the Cuesta grade.

In 2023, extreme rainstorms in San Luis Obispo County caused erosion and damaged both the Chorro Valley Access Road and the supporting slope. The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) commissioned an alternatives analysis, and a soldier pile wall and minor drainage improvements were selected to repair the roadway and mitigate future damage. SLOCFCWCD has obtained grant funds from the Federal Emergency Management Agency and the California Governor's Office of Emergency Services to pay approximately 89% of the total estimated project cost of \$4,460,000.

SLOCFCWCD has requested that the remaining project cost that would not be paid for by grant funds be split evenly among the four pipelines that occupy the Cuesta Tunnel utility crossing through the Cuesta grade. CCWA's share of the estimated non-reimbursed project cost would be 25% of \$504,415, or \$126,000.

CCWA utilizes the Chorro Valley Access Road for access to the portion of the Coastal Branch Pipeline (Pipeline) downstream of the Cuesta Tunnel for routine operations and maintenance activities. This road would also be used in the event CCWA had to respond to an emergency in that portion of the Pipeline. CCWA and SLOFCWCD have previously executed a similar project-specific reimbursement agreement for the construction of the Shandon Turnout and agreed to share costs on erosion repairs made to the Cuesta Tunnel North Portal access road.

CCWA's Fiscal Year (FY) 2026-27 Budget includes \$105,000 for this project. Additionally, the Cuesta Tunnel North Portal Vegetation Abatement Project is included in the same financial reach and was completed at a cost of \$14,850, which is \$21,900 less than its budgeted amount of \$36,750. CCWA staff recommend transferring \$21,000 of the remaining funds from the Cuesta Tunnel North Portal Vegetation Abatement Project to the Chorro Valley Access Road Repair Project to increase the total FY 2026-27 Budget amount to \$126,000. The recommended transfer would be made pursuant to the CCWA Budget Transfer Policy which provides CCWA staff may transfer available funds to other accounts and/or projects which were not anticipated in the CCWA Board adopted budget with the approval of the CCWA Board Chairperson. Transfer of funds for projects and/or one-time expenditures cannot exceed \$25,000.

A copy of the proposed Reimbursement Agreement for the Chorro Valley Access Road Repair Project (Agreement) is included as Attachment A to Resolution No. 26-13. CCWA staff recommend adopting Resolution No. 26-13 approving execution of the Agreement and CCWA's cost share in an amount not-to-exceed \$126,000.

ENVIRONMENTAL REVIEW

CCWA's execution of the Reimbursement Agreement for the Chorro Valley Access Road Repair Project is exempt from review under the California Environmental Quality Act (CEQA), as it falls under numerous statutory and categorical exemptions. The following exemptions apply: Pub. Res. Code § 21065; Cal. Code Regs., tit. 14, §§ 15000 – 15387 (CEQA Guidelines), § Categorical Exemptions: CEQA Guidelines § 15302 (Replacement or Reconstruction).

Reasons Why Project is Exempt:

Class 2 - Replacement or Reconstruction: The Project involves the reconstruction of an existing utility facility involving no expansion of capacity. Therefore, the Replacement or Reconstruction exemption applies. (CEQA Guidelines § 15302.)

Exceptions to the Categorical Exemptions:

No exceptions to this exemption, as outlined in Section 15300.2, have been identified.

Attachment:

Resolution No. 26-13 entitled "Approving a Reimbursement Agreement for the Chorro Valley Access Road Repair Project"

- a. Reimbursement Agreement for the Chorro Valley Access Road Repair Project