



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 26, 2013

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Integrated Regional Water Management Plan Round II Grant Application For Recycled Water Plant Replacement

RECOMMENDATION:

That Council authorize the Public Works Director to execute, subject to approval as to form by the City Attorney, an Agreement with the Cachuma Resource Conservation District and project proponents to manage the activities related to the development and submittal of an Integrated Regional Water Management Plan Grant Application, with the City's share of costs not to exceed \$55,012.

DISCUSSION:

On September 11, 2012, Council authorized the Public Works Director to execute a Memorandum of Understanding (MOU) that outlines processes for cost sharing and decision making regarding the contents of the Integrated Regional Water Management Plan (IRWMP). The IRWMP establishes objectives for regional water management.

Using the objectives of the IRWMP, a suite of projects has been identified for grant funding. These projects will help meet the objectives identified in the IRWMP. The City's Recycled Water Tertiary Filtration Plant Replacement Project was chosen by the IRWMP management group as one of the projects recommended for funding, with a requested funding amount of \$3 million dollars. The project consists of replacing the existing recycled water filtration plant with a new plant. The existing plant has exceeded its useful life and is failing. The new plant will be a microfiltration plant which will consistently produce better quality recycled water.

The requirements of the grant application are cumbersome and complicated by the fact that the application is comprised of projects from a number of distinct agencies, all of which require substantial information gathering and subsequent integration of the information into a comprehensive application. The timeline for grant submittal is also short, with applications due in March 2013.

The IRWMP grant application is required to be managed and submitted by one entity on behalf of all project proponents. Historically, the County of Santa Barbara Water Agency has performed this function. However, this year they do not have the staff resources to allocate to this function. The Cachuma Conservation Resource Conservation District (CCRCD) has volunteered to coordinate the grant application development including contracting with RMC Water and Environment (RMC) to compile and submit a competitive application. RMC has successfully completed similar grant applications for the region in the past. Total costs for the grant application are \$118,000. Costs are being distributed in proportion to the amount of funding requested by each participating partner, with the City's portion totaling \$55,012, which is 47 percent of the total \$118,000 grant application. CCRCD does not have a project in the IRWMP package, nor are they being paid for the management of the grant application, although expenses they incur will be reimbursed.

Given the short timeline for grant preparation and submittal staff was unable to bring this item to Council ahead of CCRCD incurring costs for work being completed by RMC. To allow work to begin the City Administrator has authorized a purchase order, not to exceed \$25,000, for preliminary work required for the grant application. Council's authorization of the full costs for the application development and submittal process will allow completion of the grant application. If Council does not authorize the costs for the application development and submittal of the grant application, the City's initial payment of \$25,000 will have been expended but the City will not be part of an IRWMP grant application.

If approved, today's City Council action will authorize the submittal of the grant application as well as authorizing payment to the Cachuma Resource Conservation District for management of the grant application submittal project and consultant costs.

At their regular meeting of February 11, 2013, the City's Board of Water Commissioners voted 5-0-0 to concur with the staff recommendation.

BUDGET/FINANCIAL INFORMATION:

Partial funding for the Recycled Water Filter Replacement project is available in the current Water Capital Fund Budget. Additional funding is being budgeted for Fiscal Year 2014. The costs for the grant application will be funded from the money already allocated for this project. A successful grant application will significantly offset the need for water funds for this project. The total estimated project costs are approximately \$8 million. The costs for the grant application are less than 1 percent of the estimated project cost.

PREPARED BY: Rebecca Bjork, Water Resources Manager/avb

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office