



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 1, 2014

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Integrated Regional Water Management Drought Grant Application
For Recycled Water Plant Replacement

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Public Works Director 1) to Prepare and File an Application to Obtain a 2014 Integrated Regional Water Management Drought Grant of up to \$2 Million for the City of Santa Barbara's Recycled Water Enhancement Project, and 2) to Enter Into an Agreement with the State of California, and Any Amendments Thereto, Subject to Approval as to Form by the City Attorney, to Receive a Grant for the City of Santa Barbara Recycled Water Enhancement Project.

DISCUSSION:

On June 17, 2014, the City Council adopted the Santa Barbara Countywide Integrated Regional Water Management Plan 2013. State grant programs increasingly require the IRWMP in order to obtain funding for water related projects. The IRWMP establishes objectives for regional water management and identifies a suite of projects to meet those objectives.

On January 17, 2014, Governor Brown proclaimed a Drought State of Emergency and signed legislation to assist drought-affected communities on March 1, 2014. The legislation also provided funding to better use local water supplies, including \$472.5 Million in Proposition 84 IRWMP funding, which is administered by the California Department of Water Resources (DWR).

In response, the Santa Barbara County IRWMP Coordinator solicited projects for consideration into a 2014 Drought Solicitation Application. IRWMP cooperating partners chose the City's Recycled Water Enhancement Project as one of the projects recommended for funding, with a requested funding amount of \$2 million for the project. The City's Recycled Water Enhancement Project was included in a previous round of funding, however, funding was not awarded. The 2014 drought grant is the second opportunity to receive Prop. 84 funding for the high priority IRWMP project.

The Recycled Water Enhancement Project consists of replacing the existing recycled water filtration plant with a new plant. The existing plant technology, constructed in 1989, does not reliably produce water that meets State Title 22 water quality requirements for turbidity. The new plant will be a microfiltration plant, which will consistently produce better quality recycled water.

The IRWMP grant application is required to be submitted by one entity on behalf of all project proponents. The County of Santa Barbara has volunteered to be the lead agency on the grant application. The timeline for grant submittal is short, with applications due July 21, 2014. City staff is currently preparing information for the grant application. One requirement of the application is a resolution authorizing and directing staff to prepare the grant application and execute an agreement with the California Department of Water Resources for funding award. The 2014 drought grants are scheduled to be awarded by October 2014.

BUDGET/FINANCIAL INFORMATION:

Partial funding for the Reclaimed Water Enhancement Project is available in the current Water Capital Fund budget. Additional funding is budgeted in Fiscal Year 2015. A successful grant application will significantly offset the need for Water Fund revenues or reserves to fund this project. The total estimated project costs are approximately \$12.3 million. On April 29, 2014, Council authorized contracts for construction of the project.

PREPARED BY: Joshua Haggmark, Acting Water Resources Manager/KD/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office