



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2015

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Introduction Of Ordinance For Grant Funding Agreement For Recycled Water Plant Replacement Project

### **RECOMMENDATION:**

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Approval and Execution by the Public Works Director of a Proposition 84 Integrated Regional Water Management Subgrant Agreement with the Santa Barbara County Water Agency, Pertaining to the Grant Funding Award of \$1,045,222 for the City of Santa Barbara Recycled Water Enhancement (or Replacement) Project.

### **DISCUSSION:**

The California Department of Water Resources has selected the City of Santa Barbara's Recycled Water Replacement Project for award of up to \$1,045,222 in Proposition 84 Integrated Regional Water Management Program grant funding. In order to receive the funding, a subgrant agreement must be executed with the County of Santa Barbara. The subgrant agreement has a term that is longer than five (5) years, and therefore must be approved by ordinance in accordance with Section 521 of the Charter of the City of Santa Barbara.

### Background on State Funding

On June 17, 2014, Council adopted the Santa Barbara Countywide Integrated Regional Water Management Plan (IRWMP) 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 as of 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).

#### Regional Projects Recommended for Funding

In response, the Santa Barbara County IRWMP Coordinator solicited projects for consideration into a 2014 Drought Solicitation Application. IRWMP cooperating partners recommended two projects for inclusion in the 2014 drought grant application submitted by Santa Barbara County: 1) City's Recycled Water Enhancement Project, and 2) Cachuma Operation and Maintenance Board (COMB) Emergency Pump Project.

The City of Santa Barbara's 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 project is under construction and expected to be producing water by January, 2016.

#### Funding Award

The total funding request by the County of Santa Barbara was \$4,094,280, of which \$2,014,280 was for the City's Recycled Water Enhancement Project, and the remainder was for the COMB Emergency Pump Project and some grant administrative costs. The State DWR has approved the application and awarded \$2,124,564 in funding. The City's share is \$1,045,222 for the Recycled Water Enhancement Project.

The DWR requires that the grant agreement be entered into with a single eligible grant recipient, which, in this case, is the Santa Barbara County Water Agency. In turn, the grant recipient must enter into subgrant agreements with the other public agencies receiving the grant award. Therefore, the City must enter into the Subgrant Agreement with the Santa Barbara County Water Agency to receive the grant award.

#### **BUDGET/FINANCIAL INFORMATION:**

Partial funding for the Reclaimed Water Enhancement Project is available in the current Water Capital Fund budget. The IRWM drought grant award of \$1,045,222 will offset the need for Water Fund revenues or reserves to fund this project. The total estimated project costs are approximately \$14.5 million.

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

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

**APPROVED BY:** City Administrator's Office