



AGENDA REPORT

CITY OF SAN CLEMENTE

City Council Meeting

910 Calle Negocio
2nd Floor
San Clemente, California
www.san-clemente.org

Meeting Date: 1/17/2023

Agenda Item: 6H.

Department: Utilities

Prepared By: Amir K. Ilkhanipour, Principal Civil Engineer

Subject:

ADOPT RESOLUTION FOR GRANT FUNDING APPLICATION TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR THE URBAN COMMUNITY DROUGHT RELIEF GRANT PROGRAM

Fiscal Impact:

Yes. Receipt of this grant from the California Department of Water Resources (CDWR) Urban Community Drought Relief Funding Program may potentially provide up to 75% funding for the Recycled Water Quality Improvement Project (Project) and is a potential funding source for design and construction. The estimated cost of the project is approximately \$13,000,000. The design phase of the Project is funded for \$995,207 in Fiscal Year 2023 with additional funding anticipated in Fiscal Year 2024 from local reserves and a Federal loan.

Summary:

Staff recommends that the City Council adopt the Resolution (Attachment 1), and authorize the City Manager, or his/her designee to submit an application to Urban Community Drought Relief Funding Program for design and construction for the Project.

Background:

Considering the impacts of climate change and the subsequent increase in severe, more frequent, and longer duration of droughts in California, it is crucial for water agencies to engage in comprehensive planning to develop and implement sustainable sources of water, such as, recycled water use. The effects of drought are demonstrated with the Governor of California declaring a statewide State of Emergency due to the drought. The Governor's State of Emergency declaration is accompanied by a call for all state residents to cut down on water use by 15%. With climate change resulting in hotter, drier summers and reduced precipitation, severe and prolonged droughts are forecast to be a normal part of California's future.

The City provides wastewater treatment of approximately 3.6 million gallons per day (MGD) at its Water Reclamation Plant (WRP). A portion of the wastewater is treated at a tertiary level where it is used for recycled water irrigation and WRP processes. The City is in the design phase of the Project. This Project will install new microfiltration (MF) and reverse osmosis systems (RO) at WRP to improve water quality by reducing total dissolved solids to meet regulatory permit limits (see Attachment 2 for location). This Project will provide high quality recycled water allowing the City to continue meeting its existing recycled water demand of 1,165 acre feet per year (AFY) and potentially expand its recycled water system while also supplying up to 2,195 AFY to the Santa Margarita Water District. Sale of recycled water to the Santa Margarita Water District will offset a portion of the project

cost and operation.

Discussion:

The Urban Community Drought Relief Grant Program is a funding program provided by the CDWR to assist public agencies in addressing drought impacts through implementation of projects. The Urban Community Drought Relief Grant Program provides up to 75 percent of total project costs. Projects must meet certain minimum requirements to be eligible for this funding, including non-state matching funds of 25 percent. City staff will propose funding in Fiscal Year 2024 from local reserves and a loan from the Water Infrastructure Finance and Innovation Act (WIFIA) program which could be used as the required matching funds.

Staff has prepared the necessary submittal documents to satisfy the requirements and demonstrate eligibility for the Urban Community Drought Relief Grant Program. While the City has met all of these eligibility requirements, CDWR requires approval of the attached resolution prior to any consideration of City applications.

Plan and Policy Consistency:

The project is consistent with the following General Plan Goals and Policies:

- Goal: Maintain and improve a comprehensive system of potable water supply, storage and distribution, and wastewater treatment, reclamation, and reuse to meet daily and emergency needs in San Clemente.
- Policy PSFU-5.08. Recycled Water. We encourage, and in some cases require, the use of recycled water when available through a Mandatory Use Ordinance.
- Policy PSFU-5.10. Wastewater System. We provide and maintain a system of wastewater collection and treatment facilities to adequately convey and treat wastewater generated in the City of San Clemente service area.

In addition, the project is consistent with the 2007 Recycled Water Master Plan.

Council Strategy:

The project is consistent with Council Strategy 3 - Update and maintain infrastructure that reflects best available technology and service in that the projects maintains City infrastructure. The project is also consistent with Council Strategy 1 - Ensure financial stability as demonstrated by low debt, high ratings, and new revenue generation - in that staff continues to actively pursue grant opportunities.

Recommended Actions:

Staff Recommendation

Staff Recommends That the City Council adopt Resolution No. _____ entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING THE APPLICATION FOR GRANT FUNDS UNDER THE CALIFORNIA DEPARTMENT OF WATER RESOURCES URBAN COMMUNITY DROUGHT RELIEF PROGRAM FOR THE RECYCLED WATER QUALITY IMPROVEMENT PROJECT.

Attachment:

1. Resolution
2. Location Map

Notification:

None

Attachment 1

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING THE APPLICATION FOR GRANT FUNDS UNDER THE CALIFORNIA DEPARTMENT OF WATER RESOURCES URBAN COMMUNITY DROUGHT RELIEF PROGRAM FOR THE RECYCLED WATER QUALITY IMPROVEMENT PROJECT.

WHEREAS, the increasing frequency of multiyear droughts presents a significant risk to California's ability to ensure adequate water supplies for communities, agriculture, and fish and wildlife; and

WHEREAS, Governor Newsom issued a Proclamation of State of Emergency on October 19, 2021 in response to the State of California experiencing drought conditions; and

WHEREAS, California has enacted a new emergency regulation on June 8, 2022 in response to worsening drought conditions and lagging conservation efforts; and

WHEREAS, The Water Boards recognize the importance of recycled water as a critical water supply for California on August 5, 2022; and

WHEREAS, the objectives of the Recycled Water Quality Improvement Project is to reduce the use of potable water for irrigation and other non-potable uses by supplying those demands with recycled water; and

WHEREAS, the City of San Clemente proposes to implement the Recycled Water Quality Improvement Project; and

WHEREAS, the City of San Clemente has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, the City of San Clemente intends to apply for the Urban Community Drought Relief grant funding from the California Department of Water Resources for the Recycled Water Quality Improvement Project.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE HEREBY RESOLVES AS FOLLOWS:

SECTION 1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, ch. 240, § 80) as amended (Stats. 2022, ch. 44, § 25, the City of San Clemente City Manager, or his/her designee is hereby authorized and directed to prepare and file an application for the Urban Community Drought Relief Program funding

for the design and construction of the Recycled Water Quality Improvement Project with the Department of Water Resources, and take such other actions necessary or appropriate to obtain grant funding.

SECTION 2. The City of San Clemente City Manager, or his/her designee is hereby authorized and directed to execute the Urban Community Drought Relief Program funding agreement for the Recycled Water Quality Improvement Project with the Department of Water Resources and any amendments thereto.

SECTION 3. The City of San Clemente City Manager, or his/her designee, is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this _____ day of January, 2023.

Mayor of the City of
San Clemente, California

ATTEST:

CITY CLERK of the City of
San Clemente, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) §
CITY OF SAN CLEMENTE)

I, LAURA CAMPAGNOLO, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. _____ was adopted at a regular meeting of the City Council of the City of San Clemente held on _____ day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

CITY CLERK of the City of
San Clemente, California

Approved as to form:

City Attorney

