



AGENDA REPORT

CITY OF SAN CLEMENTE

City Council Meeting

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

Meeting Date: 3/21/2023

Agenda Item: 6J

Department: Public Works

Prepared By: Belgin Cuhadaroglu, Associate Civil Engineer

Subject:

ADOPT RESOLUTION FOR THE GRANT FUNDING APPLICATION TO THE BUREAU OF RECLAMATION'S WATERSMART WATER RECYCLING AND DESALINATION PLANNING PROGRAM

Fiscal Impact:

Receipt of this grant from the Bureau of Reclamation's "WaterSMART Water Recycling and Desalination Planning Program" (the Program) will potentially reduce the preliminary design cost of the upcoming Recycled Water Expansion Project (the Project) by up to 50%. The estimated cost of the planning, preliminary design and environmental study is approximately \$550,000 that is available within the Water Acreage Fee Reserve Fund for the Project.

Summary:

In order to be eligible to obtain grant funding, the City will need to submit an application for the WaterSMART Water Recycling and Desalination Planning Program for the Recycled Water Expansion Project, and submit the application to the Bureau of Reclamation.

Background:

Considering the impacts of climate change and the subsequent increase in severe, more frequent and longer duration 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. The effects of drought have been demonstrated with the Governor of California declaring a statewide State of Emergency due to drought. The Governor's State of Emergency Declaration includes 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 for 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. In 2016, the City expanded the WRP's recycled water capabilities and was able to increase its recycled water distribution from three landscaping customers to approximately 140 customers. On average, approximately 1,165 acre feet per year (AFY) of recycled water from the WRP is used by City customers for landscape irrigation which is approximately 15% of the City's overall water demand. The City's WRP is capable of producing up to 3,360 AFY allowing for additional expansion where feasible within the City of San Clemente's service area. The Project will develop a new and reliable water supply that will offset the use of potable water for irrigation and other non-potable uses by supplying those demands with recycled water.

Discussion:

The United States Department of the Interior offers financial assistance in the form of grant funding through its Bureau of Reclamation's Program to assist public agencies with planning, environmental, and preliminary design efforts for this type of projects that will result in quantifiable potable water savings. The program provides two levels of funding and up to a maximum of \$5,000,000 in grant funding for large-scale projects and \$1,000,000 for other projects, but not to exceed 50% of the total project cost. If a grant award is made by the Bureau of Reclamation, the City commits to providing a minimum of 100% in matching funds (\$275,000) for the Project, and up to the balance of funds needed to complete the design of the Project. The City will utilize the available funding from its Water Acreage Fee Reserve Fund, in the amount of \$1,225,810, to provide the required 50% funding match for this phase. In the future, based on the updated Recycled Water Master Plan currently under development and preliminary design, City staff will request for additional funding based on the feasibility of projects identified in the master plan.

Staff has prepared the necessary submittal documents to satisfy the requirements and demonstrate eligibility for the Program. While the City has met all of these eligibility requirements, the Bureau of Reclamation requires approval of the attached resolution prior to any consideration of City applications.

City Council Options and Recommended Actions:

City Council Options

- Adopt Resolution 23-07 authorizing the submission of an application for grant funding from the Bureau of Reclamation for the Recycled Water Expansion Project.
- Modify and adopt Resolution 23-07 authorizing the submission of an application for grant funding from the Bureau of Reclamation for the Recycled Water Expansion Project.
- Continue the Item and direct staff to provide additional information.
- Deny Resolution 23-07.

Staff Recommendation

STAFF RECOMMENDS the City Council adopt Resolution No. 23-07 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING AN APPLICATION FOR GRANT FUNDING BY THE BUREAU OF RECLAMATION'S WATERSMART WATER RECYCLING AND DESALINATION PLANNING PROGRAM FOR THE RECYCLED WATER EXPANSION PROJECT- PLANNING PHASE.

Attachment:

1. Resolution

Notification:

None.

Attachment 1

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING AN APPLICATION FOR GRANT FUNDING BY THE BUREAU OF RECLAMATION'S WATERSMART WATER RECYCLING AND DESALINATION PLANNING PROGRAM FOR THE RECYCLED WATER EXPANSION PROJECT- PLANNING PHASE

WHEREAS, the City of San Clemente (the City) is prioritizing projects that increase drought resilience as 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, The Water Boards recognize the importance of recycled water as a critical water supply for California on August 5, 2022; and

WHEREAS, the Recycled Water Expansion Project (the Project) will develop a new and reliable water supply that will offset the use of potable water for irrigation and other non-potable uses by supplying those demands with recycled water; and

WHEREAS, the United States Department of the Interior offers financial assistance in the form of grant funding through its Bureau of Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Water Recycling and Desalination Planning Program for this type of project. The program provides two levels of funding and up to a maximum of \$5,000,000 in grant funding for large-scale projects and \$1,000,000 for other projects, but not to exceed 50% of the total project cost; and

WHEREAS, the City is requesting funding the planning phase of the Project including the development of preliminary design. Planning and design efforts will not begin until a notice of award from the Bureau of Reclamation is received; and

WHEREAS, the Bureau of Reclamation requires an Official Resolution to commit the City to the financial and legal obligations associated with the receipt of a financial assistance award under this program;

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

SECTION 1. The City Council approves the filing of a grant application for funding

for the Project, under and pursuant to the terms and provisions of the Bureau of Reclamation's WaterSMART Water Recycling and Desalination Planning Program.

SECTION 2. The City Manager or his/her designee is hereby authorized and directed to sign and file, for and on behalf of the City of San Clemente, a grant application from the Bureau of Reclamation's WaterSMART Water Recycling and Desalination Planning Program for the Project.

SECTION 3. The City Manager, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the grant application, including executing a financial assistance or similar agreement with the Bureau of Reclamation within established deadlines and any amendments or changes thereto.

SECTION 4. The City Manager, or his/her designee, is designated to represent the City of San Clemente (the City) in carrying out the City's responsibilities under the grant agreement, including certifying disbursement requests on behalf of the City and compliance with applicable state and federal laws.

SECTION 5. If a grant award is made by the Bureau of Reclamation, the City commits to providing a minimum of 100% in matching funds (\$275,000) for the Project, and up to the balance of funds needed to complete the design of the Project.

SECTION 6. 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 March, 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 March 2023, by the following vote:

AYES:

NOES:

ABSENT:

CITY CLERK of the City of
San Clemente, California

Approved as to form:

City Attorney