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CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 25, 2017

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Resolution Designating Authorized Representative For Desalination Grant Funding Opportunity

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Designating an Authorized Representative for the California Department of Water Resources Round Four Water Desalination Grant Program.

DISCUSSION:

The Water Desalination Grant Program, administered by the California Department of Water Resources (DWR), provides state grants for water desalination projects. The passage of Proposition 1 in November 2014 funded a fourth round of water grant opportunities and included the first round of desalination projects. Staff have been in close contact with DWR during the three-year development processes, working to ensure that the City of Santa Barbara (City) would have an opportunity to compete for these grant funds. Thanks to the intervention of State Senator Hannah-Beth Jackson, the State finally agreed to allow the City's project to compete for these grant funds. DWR released the final solicitation package on June 16, 2017, and set September 1, 2017, as the due date for grant applications. Applications will be accepted under the following categories: Construction, Feasibility Studies, Research Pilots, Design Pilots, and Environmental Documentation. Grant award announcements are anticipated to be made in the last quarter of the 2017 calendar year.

The City will be submitting an application in the Construction category for the Reactivation of the Charles E. Meyer Desalination Plant Project (Project). DWR has set the maximum matching grant award at \$10 million per construction project. The Project's elements, such as the sub-surface intake feasibility study and environmental documentation, may also be eligible to compete for funding in the other categories, and if eligible, staff will submit applications in these categories as well.

The grant application requires Council to adopt a resolution designating an authorized representative to submit a grant application and execute a funding agreement, if the grant is awarded. The City Administrator is being named as the authorized individual.

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BUDGET/FINANCIAL INFORMATION:

Should the City be awarded grant funding under this opportunity, staff will return to Council with options for programming the grant funds.

PREPARED BY: Joshua Haggmark, Water Resources Manager/MBH/cmw

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

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RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DESIGNATING AN AUTHORIZED REPRESENTATIVE FOR THE CALIFORNIA DEPARTMENT OF WATER RESOURCES ROUND FOUR WATER DESALINATION GRANT PROGRAM

WHEREAS, rainfall for the last five years has averaged less than half of the long-term average, and it has been the driest five year period on record;

WHEREAS, in response to extreme and prolonged drought, City Council awarded a Design-Build-Operate contract on July 21, 2015 to reactivate the Charles E. Meyer Desalination Plant up to a capacity that will provide 3,125 Acre-Feet per Year of a drought-proof drinking water supply;

WHEREAS, it is in the best interest of the City to seek grant funding to lessen financial impacts to the City’s water customers;

WHEREAS, pursuant and subject to all of the terms and provisions of the Water Quality, Supply, and Infrastructure Improvement Act of 2014, the California Department of Water Resources (DWR) is sponsoring Round Four funding for the Water Desalination Grant Program; and

WHEREAS, as required by the grant Proposal Solicitation Package, the DWR requires applicants to provide an adopted resolution designating an authorized representative to act on behalf of the applicant.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City Administrator is hereby authorized to sign and file for an application for grant funding from the DWR for an amount not to exceed the maximum award limits in each applicable project type category, for the project titled Reactivation of the Charles E. Meyer Desalination Plant, under the terms and provisions of the Water Desalination Grant Program.

SECTION 2. The City of Santa Barbara hereby agrees and further does authorize the aforementioned designated representative, or designee, to certify that the City of Santa Barbara has and will comply with all applicable state and federal statutory and regulatory requirements related to any federal and state funds received under this grant opportunity.

SECTION 3. The City Administrator, or designee, is hereby authorized to negotiate and execute a funding agreement and any amendments or change orders thereto, and to certify funding disbursements to the City of Santa Barbara.