ITEM NO. 8

STAFF REPORT

CITY OF OCEANSIDE

DATE: June 1, 2011

TO: Honorable Mayor and Councilmembers

FROM: Water Utilities Department

SUBJECT: **RESOLUTION AUTHORIZING AN APPLICATION TO THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, POLICY AND ADMINISTRATION, TO OBTAIN WATERSMART: ADVANCED WATER TREATMENT PILOT AND DEMONSTRATION GRANT FUNDING FOR THE OCEANSIDE SEAWATER DESALINATION GEOTECHNICAL INVESTIGATIONS PROJECT**

SYNOPSIS

Staff recommends that the City Council adopt a resolution authorizing application to the United States Department of the Interior, Bureau of Reclamation, Policy and Administration to obtain WaterSMART: Advanced Water Treatment Pilot and Demonstration grant funding in an amount up to $600,000 for the Oceanside Seawater Desalination Geotechnical Investigations project (Exhibit A); and authorize the City Manager to submit the grant application and execute the agreement.

BACKGROUND

The Integrated Water Utilities Master Plan identified seawater desalination as one of the major alternatives for meeting future potable water demands.

On March 9, 2011, the Bureau of Reclamation announced that Advanced Water Treatment Pilot and Demonstration Grants are being added to the WaterSMART Grants Program in FY 2010-2011. Through this WaterSMART Grant opportunity, the Bureau of Reclamation is making available cost-shared funding on a competitive basis to accelerate the adoption and use of advanced water-treatment technologies to increase water supply. The aim of this funding opportunity is to encourage pilot and demonstration projects that address the technical, economic, and environmental viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale.

The Water Utilities Department submitted an application for WaterSMART: Advanced Water Treatment Pilot and Demonstration grant funding in an amount up to $600,000 for the Oceanside Seawater Desalination Geotechnical Investigations project on May 10, 2011. The grant requires that the governing body of the applicant certify by resolution the authorization to submit an application for funds from the Bureau of Reclamation. This authorization must be submitted by mid-June.

ANALYSIS

The Oceanside Seawater Desalination Geotechnical Investigations project includes conducting long-term aquifer testing at the existing Mission Narrows test well near Highway 76 and Loretta Street, exploratory drilling along the axis of the Mission Narrows, and developing a three-dimensional model to monitor groundwater levels and water-quality changes in a full-scale well field in the Narrows. The model will assist with determining the optimum configuration and operational parameters of a full-scale well field.

FISCAL IMPACT

In FY 11/12, the proposed budget for the Ocean Desalination Geotechnical Investigations project is $1,900,000. Staff estimates the total cost of the Oceanside Seawater Desalination Geotechnical Investigations project to be $1,900,000. If the City's application is successful, $600,000 of the cost will be funded through this grant. The balance will be funded by capital improvement funds and developer impact fees.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

COMMISSION OR COMMITTEE REPORT

Does not apply.

RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution authorizing application to the United States Department of the Interior, Bureau of Reclamation, Policy and Administration to obtain WaterSMART: Advanced Water Treatment Pilot and Demonstration grant funding in an amount up to $600,000 for the Oceanside Seawater Desalination Geotechnical Investigations project (Exhibit A); and authorize the City Manager to submit the grant application and execute the agreement.

PREPARED BY:

Greg Blakely
Administration Manager

SUBMITTED BY:

Peter Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Cari Dale, Water Utilities Director

Teri Ferro, Financial Services Director

Exhibit A: Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE AUTHORIZING APPLICATION TO THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, POLICY AND ADMINISTRATION TO OBTAIN WATERSMART: ADVANCED WATER TREATMENT PILOT AND DEMONSTRATION PROJECT GRANT FUNDING

WHEREAS, the United States Department of the Interior, Bureau of Reclamation, Policy and Administration (Bureau of Reclamation), WaterSMART: Advanced Water Treatment Pilot and Demonstration Project Grant Funding Opportunity seeks proposals for projects that address the technical, economic, and environmental viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale;

WHEREAS, grant funds from the Bureau of Reclamation, WaterSMART: Advanced Water Treatment Pilot and Demonstration Project Grants are available for pilot and demonstration projects that will address the technical, economic, and environmental viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale.;

WHEREAS, the procedures established by the Bureau of Reclamation require the applicant's governing body to certify by resolution authorization for the applicant to submit an application for funds from the Program;

WHEREAS, the City of Oceanside is an eligible applicant for grant funds from the Bureau of Reclamation, WaterSMART: Advanced Water Treatment Pilot and Demonstration Project Grants, and is involved in activities that would benefit by funding from the Program;

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. That application be made to the Bureau of Reclamation, to obtain WaterSMART: Advanced Water Treatment Pilot and Demonstration Project grant funding

pursuant to Funding Opportunity No. R11SF80351, and to enter into an agreement to receive a grant for the Oceanside Seawater Desalination Geotechnical Investigations project. The City of Oceanside is able to provide the amount of funds identified in the grant application funding plan.

SECTION 2. The City Manager or his designee is authorized and directed to prepare the necessary data, make investigations and submit such application, and to sign and execute an agreement with the Bureau of Reclamation to receive grant funds. The City of Oceanside will work with the Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this _____ day of _____, 2011, by the following vote

AYES:

NAYES:

ABSENT:

ABSTAIN:

_____

MAYOR, CITY OF OCEANSIDE

ATTEST:

_____

CITY CLERK

APPROVED AS TO FORM:

Barbara Hamilton, AST.

CITY ATTORNEY