

STAFF REPORT



ITEM NO. 10 CITY OF OCEANSIDE

DATE: October 16, 2013

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **ACCEPT GRANT FUNDING FROM THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

SYNOPSIS

Staff recommends that the City Council accept \$125,000 in grant funds from the Metropolitan Water District of Southern California awarded to the City for the Foundational Actions Funding Program; appropriate the funds to the Water Utilities Department; and authorize the City Manager, or designee, to execute the grant documents.

BACKGROUND

The MWD's Foundational Actions Funding Program (FAF) was developed to help address regional funding needs for actions that reduce barriers to future water resource production. The FAF Program intends to advance the field of knowledge for future water resource production, as well as provide results that are unique and catalytic to water resource implementation in the region.

San Diego County Water Authority (CWA), as the member agency to MWD, coordinated efforts from County Agencies to submit proposals for grant funds. Interested agencies met with CWA staff and developed proposals that met guidelines issued by MWD in their Request for Proposals (RFP). \$500,000 in grant funds were available to all agencies via CWA. Several proposals were submitted by CWA, to be considered by the MWD's review panel. Those proposals that were deemed to meet all of the criteria established in the RFP were submitted to the MWD Board for approval.

ANALYSIS

As part of the CWA package, the Water Utilities Department submitted a proposal to partially fund an Indirect Potable Reuse (IPR) Study. The MWD Board, at their September 10, 2013 meeting, agreed to fully fund the City's proposal, in the amount of \$125,000.

The goal of the Oceanside study is to advance the industry's understanding of the anticipated pathogen removal levels that are achieved through the wastewater treatment process. Pathogen concentrations will be quantified in the raw wastewater, primary effluent, secondary effluent, filtration and final product after chlorine disinfection. The targeted pathogens will be those identified in the 2013 Draft Groundwater Recharge Regulations (GRR) by the California Dept. of Public Health (CDPH), and include protozoa (Giardia and Crypto), virus, and bacteria (total coliform).

These data are lacking in the current industry and this project will greatly assist regulators and policy makers by providing scientific data upon which to base log removal credits which will ultimately improve industry understanding of potable reuse treatment needs.

Use of recycled water for IPR frees up potable water resources and benefits the region by making more potable water available for San Diego County Water Agencies. This project will not only determine the feasibility of using recycled water for groundwater recharge, but will also increase knowledge about pathogens and provide increased data for regulatory agencies and policy makers. The ultimate outcome of this project will be better information to drive policy and regulatory decisions. Establishing new opportunities for groundwater recharge may also significantly reduce treated wastewater flows to the ocean and reduce electrical pumping costs.

The MWD requires 100 percent match of FAF funds, in this case \$125,000. Matching funds for this project have been made available in the Department's Capital Improvement Budget for Fiscal Year 2013-2014. The FAF Grant requires that the City sign and submit funding paperwork by November 15, 2013, and commence work prior to January 31, 2014. Work must be completed and a final report submitted to MWD before February 1, 2016. Oceanside will complete this study prior to December 31, 2015, and will have a final report prepared by the February, 2016 deadline.

FISCAL IMPACT

The funds will be used for the Potable Water Recharge Study project (908130200715.5326.10100). This is a reimbursement grant, meaning that the Water Utilities Department must expend the funds and will then be reimbursed by MWD for expenses related to the grant. Staff is therefore requesting an appropriation of \$125,000 be made to this business unit, to be offset as the grant funding is received.

Staff is requesting that Council appropriate funds to Potable Water Recharge Study (836130200272.4376) for the revenue. This will allow Financial Services to track the grant funds. Staff is also requesting that Council approve a budget transfer from Potable Water Recharge Study (836130200272.6900.0715) to Potable Water Recharge Study (908130200715.6800.0272) and an appropriation for the expenditures to the Potable Water Recharge Project (908130200715.5326.10100) to be used for the designated study.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission reviewed staff's recommendation at its meeting on September 10, 2013.

CITY ATTORNEY'S ANALYSIS

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

RECOMMENDATION

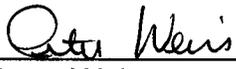
Staff recommends that the City Council accept \$125,000 in grant funds from the Metropolitan Water District of Southern California awarded to the City for the Foundational Actions Funding Program; appropriate the funds to the Water Utilities Department; and authorize the City Manager, or designee, to execute the grant documents.

PREPARED BY:



Jason Dafforn
Water Utilities Division Manager

SUBMITTED BY:



Peter Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Cari Dale, Water Utilities Director

Michael Blazenski, Interim Financial Services Director



