



Legislation Details (With Text)

File #: 23-122
Type: Consent Calendar **Status:** Passed
File created: 2/2/2023 **In control:** City Council/Public Financing Authority
On agenda: 2/21/2023 **Final action:** 2/21/2023
Title: Authorize the City Manager to Sign a Letter of Commitment for the Local Groundwater Supply Improvement Project ("Local SiP") Application for Grant Funds from the U.S. Department of the Interior's Bureau of Reclamation WaterSMART Program and Authorize Grant Matching Funds in the Amount of \$25,000
Attachments: 1. Att#1 Local SiP Commitment Letter, 2. Att#2 PPT Local SiP Funding Commitment v2

Date	Ver.	Action By	Action	Result
2/21/2023	1	City Council/Public Financing Authority	approved	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Al Zelinka, City Manager

VIA: Sean Crumby, Director of Public Works

PREPARED BY: Alvin Papa, Deputy Director of Public Works-Utilities

Subject:

Authorize the City Manager to Sign a Letter of Commitment for the Local Groundwater Supply Improvement Project ("Local SiP") Application for Grant Funds from the U.S. Department of the Interior's Bureau of Reclamation WaterSMART Program and Authorize Grant Matching Funds in the Amount of \$25,000

Statement of Issue:

It is requested that the City Council authorize the City Manager to sign and submit a Letter of Commitment (Attachment 1) to Mesa Water District for the Local SiP application for grant funds from the U.S. Department of the Interior's Bureau of Reclamation WaterSMART Program and authorize grant matching funds in the amount of \$25,000.

Financial Impact:

Funding in the amount of \$25,000 is included in the Fiscal Year 2022/23 approved budget in Water Fund Account 50685801.69365. Per the Letter of Commitment, funds should be delivered to Mesa Water no later than October 31, 2023.

Recommended Action:

Authorize the City Manager to sign and submit the Letter of Commitment (Attachment 1) to Mesa Water District for the Local SiP application for grant funds from the U.S. Department of the Interior's

Bureau of Reclamation WaterSMART Program and authorize grant matching funds in the amount of \$25,000.

Alternative Action(s):

Authorize the City Manager to sign and submit a Letter of Support for the Local SiP application for grant funds from the U.S. Department of the Interior's Bureau of Reclamation WaterSMART Program. Please note that submittal of a Letter of Support without an identified matching source of funds weakens the City's position as a partner and reduces the potential opportunity to secure additional water supply; or

Do not approve the recommended action. Not supporting the grant application will likely result in the failure of the application and the loss of an opportunity to secure additional water supply.

Analysis:

The City of Huntington Beach has an annual average water demand of approximately 26,000 acre-feet (AF). In 2023, approximately 85% of this amount is pumped from groundwater sources and 15% is purchased import water. California is currently in its third consecutive year of drought, which has greatly stressed import water supplies. Extended periods of drought makes import water a potentially unreliable resource in the long-term and it is important that the City investigate alternate water supply sources. Brackish groundwater present in our region is high in chlorides and is not suitable for potable water consumption; however, brackish groundwater desalination treatment technologies exist that can convert brackish water into water suitable for public use.

The Bureau of Reclamation WaterSMART Program leverages Federal and non-federal funding to work cooperatively with States, Tribes, and local entities to plan and implement actions to increase water supply sustainability through investments in existing infrastructure. Brackish groundwater desalination projects can supplement municipal and irrigation water supplies through the treatment of ocean or brackish water, thereby providing a local supply, providing flexibility during water shortages, and diversifying the water supply portfolio. Feasibility studies, planning activities, preliminary design and environmental compliance activities for the development of water recycling and desalination projects that will supplement existing fresh water supplies are eligible for funding under this program.

Mesa Water District proposes to act as lead agency to submit a joint grant application, with OCWD, the City of Newport Beach, and the City of Huntington Beach as partners, to develop a feasibility study that explores the benefits of desalinating brackish groundwater to improve local and regional water supply reliability within the Orange County Groundwater Basin in our region. It is important to note that this is not an ocean desalination project or affiliated with any previous proposals. The goal of this project is to treat brackish groundwater that is currently unusable and increase its quality to drinking water levels appropriate for daily use and consumption by the public. The Local SiP will evaluate treatment alternatives for a 5 to 8 million gallons per day (MGD) regional brackish groundwater desalter, proposed locations for production wells, needed conveyance pipelines, and cost estimates. The Local SiP will also review potential groundwater and environmental impacts. Applications for this funding opportunity are due on February 28, 2023 and require 50% matching funds.

The Intergovernmental Relations Committee (IRC) reviewed this grant opportunity and approved 3-0 to recommend the City Council provide a support letter for the grant and support the City of

Huntington Beach provide \$25,000 in grant matching funds.

The estimated cost of the feasibility study is approximately \$400,000-\$500,000. The City of Newport Beach will contribute \$25,000 in grant match funds. Staff recommends that the City of Huntington Beach similarly contribute \$25,000 in grant match funds to secure a stake in this water supply opportunity. Mesa Water and OCWD will cover the remaining, grant matching fund balance.

Environmental Status:

Pursuant to CEQA Guidelines Section 15378(b)(5), administrative activities of governments that will not result in direct or indirect physical changes in the environment do not constitute a project. Should the feasibility study identify a potential water supply project in Huntington Beach as part of its findings, the project will be brought forth to the City Council for consideration and an environmental assessment will be conducted at that time.

Strategic Plan Goal:

Infrastructure & Parks

Attachment(s):

1. Attachment 1 - Letter of Commitment for the Local SiP Application for the U.S. Department of the Interior's Bureau of Reclamation WaterSMART Program
2. Powerpoint Presentation