



Staff Report

File #: 22-0939

**REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 12/07/2022

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Utilities Department

SUBJECT:

Resolution authorizing the submittal of a grant application to the Department of Water Resources for the Urban Community Drought Relief Grant Program.

EXECUTIVE SUMMARY:

This staff report asks the City Council for approval to submit a funding application in the amount of \$5 million to the California Department of Water Resources (DWR) to complete the upgrade and installation of Advanced Metering Infrastructure throughout the City. The proposed grant funding would help offset the cost of the currently budgeted Advanced Metering Infrastructure Meter Replacement Project No. 76340. DWR requires approval of a resolution authorizing the City to apply for the Urban Community Drought Relief Grant Program.

RECOMMENDED ACTION:

That the:

- a. City Council adopt Resolution No. 2022-121, authorizing the submittal of an application for the Department of Water Resources 2022 Urban Community Drought Relief Grant Program.
- b. City Council designate the City Manager, or his designee, to receive and spend Urban Community Drought Relief Grant funds in accordance with all applicable program guidelines and state and federal laws.
- c. City Council authorize the City Manager, or his designee, to act as agent with legal authority to enter into the grant agreement, conduct all negotiations, execute and submit all documents including, but not limited to, applications, agreements, payment requests and any other grant required correspondence which may be necessary to obtain grant funds or complete the grant

program that are consistent with or in furtherance of the City Council's actions hereunder.

- d. City Council authorize the City Manager, or his designee, to prepare and process any budgetary adjustments to receive and record Urban Community Drought Relief Grant funds.
- e. Corona Utility Authority review, ratify, and to the extent necessary, direct that the City Council take the above actions.

BACKGROUND & HISTORY:

The Advanced Metering Infrastructure (AMI) Meter Replacement project will replace, and in some cases retrofit, approximately 40,000 direct read water meters with advanced metering technology. This project is approved in the Five-Year Capital Improvement Project Plan and will provide the Utilities Department (UD) and customers with 24/7 monitoring and alert capabilities on water usage. When the project is complete, the UD will be able to obtain real time remote meter reads, detect leaks in real time, and provide the customers with the ability to monitor their usage in real time. This upgrade should result in water savings estimated at 1,787 acre feet (AF) or more than 582 million gallons per year.

The total project cost is estimated to be \$22.9 million, budgeted over a three-year period from Fiscal Year 2022 to Fiscal Year 2024. The UD has been actively seeking grant funding to help offset the cost of this project. In May 2022, UD was awarded a federal grant from the 2022 WaterSMART: Water Energy and Efficiency Grants Program for up to \$2 million dollars. The UD has continued to seek out opportunities to fund this project through any source available.

In October 2022, the California Department of Water Resources (DWR) released a grant solicitation for the 2022 Urban Community Drought Relief Grant Program. This program was authorized pursuant to the amended Budget Act of 2021 (Stats. 2021, ch. 240, § 80) to allocate an additional \$545 million to DWR to award grants for drought relief. These grants are intended to provide water to communities that face the loss or contamination of their water supplies, to address immediate impacts on human health and safety, to secure the future of California's water supply, and to protect fish and wildlife resources.

As a drought resiliency project that helps to secure the future of California's water supply, the AMI Meter Replacement project qualifies for the Urban Community Drought Relief program. DWR requires approval of a resolution authorizing the City to apply for the Urban Community Drought Relief Grant Program. UD recommends authorization of an application for this grant.

ANALYSIS:

The AMI Meter Replacement Project is a good fit for the Urban Community Drought Relief Grant program. The program seeks projects that contribute to water supply resiliency by making a quantified water-related contribution to the measurable goals of California's Water Supply Strategy. DWR is looking for projects that make an immediate impact on the drought.

Efficient water use is the most cost-effective way to achieve the long-term water conservation and water supply reliability goals, and this program looks to help the State adapt to longer and more

intense droughts. The AMI Meter Replacement project aligns well with the necessity to use water more wisely, eliminate water waste, and strengthen local drought resiliency. UD plans to take the project out for bid in early 2023. A shovel-ready project such as this should rank higher in priority for this funding.

In addition to the estimated water savings, the project should result in estimated energy savings of up to 2,503,734 kilowatt hours. These energy savings are achieved by reducing water usage in residential households and reducing the upstream energy required to extract, convey, treat, and distribute water, and the downstream energy needed to treat and dispose of wastewater.

Greenhouse gas emissions (GHG) are also expected to be reduced by an estimated half ton as a result of this project. With the current manually read meters, staff must drive to each meter on a monthly basis to collect the data. The reduction in GHGs will be achieved by eliminating the need to drive to collect data.

The AMI Meter Replacement project is projected to achieve multiple benefits and improve drought resiliency for the City. It is an excellent fit for the Urban Community Drought Relief Grant Program.

As required by DWR, Staff requests approval of a resolution authorizing the City to apply for the Urban Community Drought Relief Grant Program. If received, this grant funding will partially offset the cost of the existing AMI Meter Replacement project up to a maximum of \$5 million.

FINANCIAL IMPACT:

Approval of the recommended actions may result in a grant award and appropriation in an amount of up to \$5 million in the AMI Meter Replacement Project (76340) and an offsetting revenue budget of the same amount in the Water Utility Grant/Agreement Fund 571.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to adopt the resolution to apply for Urban Community Drought Relief grant funding and there is no possibility that adopting this resolution will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JACQUELINE ZUKERAN, UTILITY BILLING AND ADMINISTRATION MANAGER

REVIEWED BY: TOM MOODY, UTILITIES DIRECTOR

Attachments:

1. Exhibit 1 - Resolution 2022-121