



Staff Report

File #: 22-0848

REQUEST FOR CITY COUNCIL ACTION

DATE: 11/02/2022

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:
Fiscal Year 2023 Quarter 1 Budgetary Adjustments.

EXECUTIVE SUMMARY:

This staff report asks Council to consider budgetary adjustments for Fiscal Year 2023 based on the Quarter 1 results and staff recommendations for funding level changes. On a quarterly basis, staff presents an update to the City Council on the current fiscal year revenue and expenditures. As part of the process, departments review the operating and capital improvement project funding levels and provide recommendations for budgetary adjustments.

RECOMMENDED ACTION:

That the:

- a. City Council approve the following General Fund budgetary adjustments:
 - i. Appropriate \$20,000 to the Public Works Department operating budget for the Utility Box Art Program.
 - ii. Appropriate \$3,252 and increase revenue estimates by the same amount, in the Police Department operating budget, for Fiscal Year 2022 Patrick Leahy Bulletproof Vest Partnership grant award.
 - iii. Appropriate \$18,000 to the Public Works Department operating budget for the Riverside County Post Landfill Annual Agreement.
- b. City Council appropriate \$75,000, from the Library Facilities and Collection Fee Fund 206 to the Library Materials project, to purchase library materials.

- c. City Council appropriate \$153,323, in the NPDES Fund 245 to the Public Works Department operating budget, for expenses that were inadvertently omitted in the Fiscal Year 2023 budget process.
- d. City Council appropriate \$180,000, in Gas Tax Fund 222, for the Foothill Parkway Mitigation project.
- e. City Council approve the following Library-Other Grants Fund 415 budget adjustments:
 - i. Appropriate \$216,992 and increase revenue estimates by the same amount for the Building Forward Grant Program to update the Library's security camera system.
 - ii. Accept funding from the California State Library for the ZipBooks Grant, and appropriate \$18,125 to the Community Services operating budget and increase revenue estimates by the same amount.
- f. City Council appropriate \$35,000, in the Traffic Offender Fund 422 to the Police Department operating budget, for various equipment needs.
- g. City Council appropriate \$59,811 and increase revenue estimates by the same amount (\$27,006 Adult Literacy Services and \$32,805 Family Literacy Services), in the Adult and Family Literacy Grant Fund 442, to the Community Services operating budget for the Fiscal Year 2023 literacy services grant award.
- h. City Council approve the following adjustments for the Alcoa Dike Project Phase 2:
 - i. Appropriate \$85,000 and increase revenue estimates by the same amount, in the Reimbursement Grant Fund 480.
 - ii. Appropriate \$35,000, in the Gas Tax Fund 222.
- i. City Council authorize the creation of a new capital improvement project titled "Sierra Del Oro Water Treatment Plant Backwash Tank Epoxy Lining Project", and appropriate \$150,000 from the Water Utility Fund 570 to the newly created project.
- j. City Council appropriate \$100,000 from the Water Utility Fund 570 to the Flow Meter Upgrade capital improvement project for Annual Flowmeter Testing and Replacement.
- k. City Council authorize the City Manager, or his/her designee, to issue a purchase order for \$158,858.24 to CS Amsco for the purchase of various size valves for Water Reclamation Facility 1 Plant 1B RAS Isolation Check Valve Replacement Project and determine, under Corona Municipal Code Section 3.08.140(B), that competitive bidding is not required because no competitive market exists.

- I. City Council authorize the creation of a new capital improvement project titled "Glen Ivy Water Treatment Plan Project", and appropriate \$300,000 for the design of the project from the Water Utility Fund 570.

- m. Change Order and Operating Budget Appropriation for Promise Network Inc., for Customer Payment Plan Processing Fees.
 - i. City Council authorize the City Manager, or his/her designee, to process a \$75,000 change order for Promise Network, Inc. annual to a total annual Purchase Order of \$150,000.

 - ii. City Council authorize the City Manager, or his/her designee, to negotiate and execute non-substantive extensions, change orders and amendments up to 10% of total contract cost or \$15,000 as authorized by Corona Municipal Code Section 3.08.070(I).

 - iii. City Council authorize the City Manager, or his/her designee, to execute the Professional Services agreement with Promise Network, Inc. in the amount of \$150,000 per fiscal year and authorize the extension of the agreement with two (2) additional two (2) year optional renewal periods.

 - iv. City Council authorize an appropriation of \$38,250 from the Water Utility Fund 570, \$34,500 from the Sewer Utility Fund 572, and \$2,250 from the Electric Utility Fund 578 to the Utility Department's operating budget.

- n. Prepare and process budgetary adjustments as needed to receive and record Title XVI Water Reclamation and Reuse Program Grant Funds.
 - i. City Council appropriate \$229,087 and increase revenue estimates by the same amount from the Water Utility Grant Fund (571) to the Western Riverside County Regional Wastewater Authority (WRCWRA) Reclaimed Waterline CIP Project 69710571.

 - ii. City Council appropriate \$2,500 and increase revenue estimates by the same amount from the Water Utility Grant Fund (571) to the Old Temescal Reclaimed Waterline CIP Project 70370571.

 - iii. City Council appropriate \$7,500 from the Reclaimed Water Utility Fund (567) to the Old Temescal Reclaimed Waterline CIP Project 70370567.

 - iv. City Council authorize the City Manager, or his/her designee, to prepare and process budgetary adjustments as needed to receive and record Title XVI Water Reclamation and Reuse Program Grant Funds.

- o. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct that the City Council take the above actions.

BACKGROUND & HISTORY:

On a quarterly basis, the Finance Department provides a budget update to the City Council. As part of the quarterly process, departments provide operating and CIP adjustments that need to be addressed in the fiscal year (FY). The Finance Department prepares a consolidated request for the City Council's consideration.

ANALYSIS:

Item a - General Fund budgetary adjustments.

- i. At the June 8, 2022, Committee of the Whole Meeting, City Council approved a pilot program to wrap seven (7) existing traffic signal boxes with art created by artists in the community. The program was subsequently named the "Canvas on the Curb" Program. This Program requires funding in the amount of \$20,000 from the General Fund. Program funding will go towards the artist stipend, staff time to administer the program, and the vinyl wrap creation and installation of seven (7) boxes in the City. The City will seek cost-sharing in the form of sponsorships for six (6) of the boxes. Sponsorship will be \$1,300 per box, with the City funding one of the boxes completely. The program is expected to run through June 2023 at which time it will be evaluated, and a determination will be made on whether to continue with the program and if so, any changes to the program structure.
- ii. The Police Department has been awarded \$3,252 for the FY 2022 Bulletproof Vest Partnership (BVP). The mission of the BVP Program is to outfit police officers with ballistic vests. Since 1999, the BVP program has funded over one million vests.

Ballistic safety vests are provided as per the police officer's Memorandum of Understanding for up to \$1,150 every five (5) years. The City of Corona has certified a "mandatory-wear" body armor policy for all uniformed officers, as required for application of the grant. The BVP will fund up to 50% of the cost of each qualifying vest purchased or replaced by law enforcement applicants. This grant will provide 50% funding for approximately six (6) vests. Only vest models that comply with the requirements of the Office of Justice Program's National Institute of Justice, or NIJ, and are purchased after April 1, 2022, may be purchased with FY 2022 grant funds. The program requires that all applicant jurisdictions be responsible for providing at least 50 percent of the cost of each qualifying vest purchased. The reimbursement period ends on August 31, 2024.

- iii. Appropriate \$18,000 to the Public Works Department operating budget for the Riverside County Post Landfill Annual Agreement. This is an annual agreement between the City of Corona and the County of Riverside for post-closure maintenance, environmental monitoring, and operation and maintenance of the landfill's gas collection system and flare station at the now closed Corona Sanitary Landfill, located at 14340 Magnolia. The agreement was first made and entered in June 2010. The annual maintenance agreement costs of \$18,000 have remained the same since entering the agreement. The annual costs were previously budgeted under the Maintenance Services Department and were inadvertently omitted with department reorganization when preparing the FY 2023 budget.

Item b - appropriate \$75,000, from the Library Facilities and Collection Fee Fund 206 to the Library

Materials project, to purchase library materials.

Residential Development Impact Fees are applied to the digital and print collections of the Public Library and monies accumulated in the account are requested to purchase and process library materials.

Item c - appropriate \$153,323, in the NPDES Fund 245 to the Public Works Department operating budget, for expenses that were inadvertently omitted during the FY 2023 budget process.

The NPDES FY 2023 operating budget was inadvertently omitted with the reorganization of activities from the Maintenance Services Department to the Public Works Department. FY 2023 items totaling \$153,323 include \$57,880 for the Annual Wastewater Discharge Requirements Permit Fee, \$70,193 for Memberships and Dues, and other personnel and services/supplies related expenses.

Item d - appropriate \$180,000, in Gas Tax Fund 222, for Foothill Parkway Mitigation.

The budget is to pay for City consultant time for project management to coordinate conservation easements for six (6) sites with Riverside-Corona Resource Conservation District (RCRCD) and Army Corps of Engineers with the assistance of the City attorney's office. The restoration of the six (6) mitigation sites will start in late October 2022 for site 2, the larger site. Additional surveying is needed to establish limit points between mitigation sites and adjacent properties for RCRCD to perform landscape and irrigation. The surveyor must also create ingress/egress access easements for sites 2 and 3 from the street to the mitigation sites.

Item e - Library-Other Grant Fund 415 budgetary adjustments.

- i. Accept and appropriate \$216,992 for the Building Forward Grant Program. This award is intended to fund the following project outputs and related activities as applied for and in accordance with allowable costs per the Grant Guidelines. The grant is to update the Library's security camera system - parts and installation. The request for a 100% reduction in the required cash match amount has also been approved. Therefore, the grant is to cover 100% of the cost with no matching funds requirement.

Following a rigorous evaluation process, the State Library announced the first round of award decisions for the Building Forward Library Infrastructure Grant Program. The Budget Act of 2021 (SB 129) allocated \$439 million in one-time funds to address the life-safety and critical maintenance needs of our library buildings, prioritized for libraries serving high poverty areas of the state.

This project funding is provided by the State of California and administered by the California State Library. The grant period will begin once the agreement has been fully executed and ends in March 2026.

- ii. Accept funding from the California State Library for the ZipBooks grant. Appropriate \$18,125 to the Community Services operating budget and increase revenue estimates by the same amount in the Library-Other Grants Fund 415.

The ZipBooks program provides library users with speedy access to books that are not available at their local libraries. A patron simply requests the item, the library purchases it

from Amazon, and the book is shipped directly to the patron's home. When finished, the patron returns it to the library, and the library adds it to the collection. Because ZipBooks is a user-driven program, the library collection becomes more closely matched to the needs of the local community.

ZipBooks began as a pilot project in 2011, funded by an LSTA grant from the California State Library. The program has proved extremely popular with libraries and library users throughout the state and has grown substantially over the past decade. In early 2022, the number of participating libraries expanded to include 89 jurisdictions. In a recent two-year survey, over 95 percent of respondents gave the ZipBooks program an overall "excellent" rating.

This project funding is provided by the State of California and administered by the California State Library. The grant period is July 1, 2022, through June 30, 2023.

Item f - appropriate \$35,000, in the Traffic Offender Fund 422 to the Police Department operating budget, for various equipment needs.

The Police Department is requesting an appropriation of \$35,000 from the Traffic Offender Fund 422, to purchase several pieces of equipment for the Traffic Bureau. The equipment includes two (2) Unmanned Aircraft Systems (UAS), which will be used with the Pix4D software. The software and UAS are vital to the Collision Response Team (CRT), which investigates major injury and fatal traffic collisions. CRT utilizes drones to draw the scene in the investigation of traffic crashes at an approximate cost of \$9,000.

The Traffic Bureau will utilize a portion of the funding, approximately \$3,000, to purchase a new radar detection device. With new officers assigned to the Traffic Bureau, another radar gun is needed. The devices are used daily by motor and traffic officers to enforce speed laws throughout the City. In addition, this device helps the Traffic Bureau provide safety to the community through enforcement and education.

Recently two motor officers were assigned to the Traffic Bureau. An officer is outfitted with uniform and safety equipment consisting of a Kevlar motor jacket and pants, boots, helmet, gloves, and glasses. These items run approximately \$5,000 per officer and are mandatory for safety purposes. Also, when the FY 2023 budget was prepared, the uniform needs of the Traffic Bureau were inadvertently missed. Another \$7,000 will be utilized to purchase uniforms, helmets, and eye protection, for the other Traffic motor officers, for a total of \$17,000 in uniforms.

Lastly, the Traffic Conference room chairs, where multiple meetings are held weekly, have reached the end of life and are no longer usable. Replacement of the Traffic conference room chairs will cost approximately \$6,000.

This equipment is an appropriate purchase for the funding source.

Item g - appropriate \$59,811 and increase revenue estimates by the same amount (\$27,006 Adult Literacy Services and \$32,805 Family Literacy Services), in the Adult and Family Literacy Grant Fund 442, to the Community Services operating budget for the FY 2023 literacy services grant award.

- i. Family Literacy: The Corona Public Library (CPL) has been awarded funds from the California State Library to support family literacy. The funding has allowed the Library's Literacy program to expand services to families of low-literate adults to improve their reading and writing skills and foster literacy in the home.

CPL has been awarded \$32,085 for Fiscal Year 2023 to support existing family literacy programming in the community. These funds will be used to strengthen the services provided to learners enrolled in the California Library Literacy Services program and support the library in reaching out to and engaging underserved adults and families. Some of the grant dollars also fund a portion of one existing part-time staff position involved in literacy programming.

- ii. Adult Literacy: The Corona Public Library (CPL) applies annually for funds to support the Adult Literacy program. The FY 2023 CPL has been awarded \$27,006. This grant provides for one-on-one literacy tutoring for adults. Tutoring encompasses a myriad of skills, including reading, math, financial literacy, and basic computer skills.

The Adult Literacy program has been in existence since 1994. It is funded almost exclusively through grants from the California State Library, for which the City must apply annually. This funding supports the purchase of supplies and resources, such as educational software and online resources for our volunteer tutors and their adult learners. Training for volunteer tutors and staff is also funded as is the partial funding of an existing part-time position.

The annual funds are supplemented with other grants, donations, and general City revenues when they are available. Due to the impact of COVID-19, 14 existing tutor/learner pairs are connecting virtually or in person. The Adult Literacy grant has allowed for the creation of a partnership with Corona Norco Unified School District (CNUSD) Adult school, and this class currently has 20 English Literacy and Civics (ELAC) students.

Item h - Approve the following adjustments for the Alcoa Dike Project Phase 2.

- i. Appropriate \$85,000 and increase revenue estimates by the same amount in the Reimbursement Grant Fund 480, to be reimbursed through an agreement with the County of Orange.
- ii. Appropriate \$35,000, in Gas Tax Fund 222.

The project was managed in-house by City staff from the utility division and handling other various projects. The Alcoa Dike project, a complex project, was given to a consultant to oversee the multi-discipline construction aspect from the City's utilities, right-of-way, outside utilities, drainage, traffic, and street improvements. The project requires a dedicated project manager for ongoing meetings, addressing street design and utility conflicts, detours, and closures, and most importantly, to focus on change orders, address proper design measures and ensure a satisfactory project for the City of Corona and the Army Corps of Engineers.

Item i - Authorize the creation of a new capital improvement project titled "Sierra Del Oro Water Treatment Plant Backwash Tank Epoxy Lining Project", and appropriate \$150,000 from the Water

Utility Fund 570 to the newly created project.

The Sierra Del Oro (SDO) Water Treatment Plant (WTP) backwash tank had a leak that was repaired during FY 2022. The backwash tank was installed in 1989 when the plant was built and commissioned. The tank was evaluated by HCI Group, Inc. using Non-destructive Examination (NDE) and Nondestructive Techniques (NDT) by measuring the material response and measurement. It was determined through NDT that the steel tank wall thickness was close to or the same as the design values.

Utilities Department's (UD) staff reviewed the x-rays provided and the tank wall thickness is the same as it was at the time when it was designed. Based on this, staff determined that with epoxy coating, the useful life of the tank can be extended another 20+ years based on similar epoxy coating at other UD facilities.

SDO WTP is taken offline during the winter months (limited duration) for scheduled maintenance. To extend the useful life and to avoid additional WTP closures, UD is requesting the creation of a new capital improvement project for the SDO WTP Backwash Tank Epoxy Lining Project with an appropriation of \$150,000 from the Water Utility Fund (570). The epoxy coating specified will meet National Sanitation Foundation (NSF) NSF 61 standards.

Item j - Appropriate \$100,000 from the Water Utility Fund 570 to the Flow Meter Upgrade capital improvement project for Annual Flowmeter Testing and Replacement.

The Utilities Department (UD) operates and manages both potable water and wastewater treatment facilities, a potable water distribution system, and a sewer collection system, all of which are subject to State and Federal laws and regulations. UD is required to submit electronic reports to the State Water Resources Control Board Division of Drinking Water per Title 22 of the California Code of Regulations (CCR), California Health and Safety Code (CHSC), Santa Ana Regional Water Quality Control Board per the federal Clean Water Act, and Title 40 of the Code of Federal Regulations. Accurate flowmeters are crucial to ensure system-wide operation, measure capacity, and ensure compliance. UD operates and maintains over 200 flowmeters, which are essential components in these regulated facilities' daily operations and plans to continue flowmeter testing and replacement for this fiscal year.

On April 4, 2021, City Council approved an annual purchase order for \$265,000 to Endress and Hauser through FY 2024 for the Flowmeter Upgrade Project 76000. UD is requesting to appropriate the funding associated with this purchase order in the amount of \$100,000 from the Water Utility Fund (570) to CIP 76000570 for Annual Flowmeter Testing and Replacement.

Item k - Authorize the City Manager, or his/her designee, to issue a purchase order for \$158,858.24 to CS Amsco for the purchase of various size valves for Water Reclamation Facility 1 Plant 1B RAS Isolation Check Valve Replacement Project and determine, under Corona Municipal Code Section 3.08.140(B), that competitive bidding is not required because no competitive market exists.

During budget preparation, the Utilities Department (UD) staff requested and Council approved funding for the Water Reclamation Facility 1 (WRF 1) Plant 1B RAS Isolation and Check Valve Replacement Project. Staff prepared and obtained proposals for various size DeZurik valves required for the project.

On June 15, 2022, Council approved Resolution 2022-046, which updated the Exclusive Standard Equipment and Products List for UD per Public Contracting Code Section 3400. The Dezurik Reduced Port Plug Valve is included on the Exclusive Standard Equipment and Products List. DeZurik valves are installed at WRF1, WRF2 and WRF3. They are reliable and have 20 plus years of useful life. DeZurik Valve is a Sole Source Product and exempt from competitive bidding because CS Amsco is the only vendor that sells the DeZurik Valve. Therefore, a competitive bidding process would not yield any results.

Awarding a Purchase Order to CS Amsco for the purchase of DeZurik Valve Project will allow for the replacement of 26-year-old valves that have reached their useful life and need to be changed in order to continue to provide water reclamation services and remain in compliance with Order No. R8-2020-0021 and NPDES No. CA8000383. These valves will be installed by UD's Facilities Maintenance Division staff.

UD is requesting that competitive bidding be found to have been satisfied for the purchase of various size valves at an amount of \$158,858.24 for the WRF 1 Plant 1 B RAS Isolation and Check Valve Replacement Project pursuant to Corona Municipal Code ("CMC") Section 3.08.140 (B), which states: (B) **No competitive market.** When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determines, in accordance with applicable law, that a competitive market does not exist and that no competitive advantage will be gained by the public bidding process.

Staff requests authorization to issue a purchase order for \$158,858.24 to CS Amsco for the purchase of various size valves for Water Reclamation Facility 1 Plant 1 B RAS Isolation and Check Valve Replacement Project (77580572)

Item I - Authorize the creation of a new capital improvement project titled "Glen Ivy Water Treatment Plan Project", and appropriate \$300,000 for the design of the project from the Water Utility Fund 570.

The Utility Department's (UD) Glen Ivy Water Storage Tank, located at 8965 Glen Ivy Rd, was completed in 1979 and features a 500,000-gallon welded steel potable water storage tank. The cylindrical tank has a diameter of 60 feet and a height of approximately 25 feet. UD operates three wells (SW-03, SW-20, SW-21) that deliver groundwater from the Coldwater Basin to the Glen Ivy Water Storage Tank.

In October of 2016, the California Department of Drinking Water (DDW) classified the UD's well water from SW-03, SW-20, and SW-21 as groundwater under the direct influence of surface water (GWUDI). As a result, the existing wells, storage tank, and disinfection facilities have been inactive for approximately five (5) years. UD intends to reactivate the facilities and ensure compliance with DDW standards. This will require added filtration and chlorine disinfection with contact time. As a result, UD must construct a water treatment plant (Glen Ivy Water Treatment Plant) to utilize and treat well water from SW-03, SW-20, and SW-21.

UD has obtained the services of GHD to establish and evaluate three (3) options for disinfection of

well water, utilizing existing facilities and providing operational redundancies as much as possible. Based on the selected option, GHD will design the plans for the Glen Ivy Water Treatment Plant.

GHD created three (3) options below in Table 1:

Table 1

Options	Chlorine Contactor Cost	Cartridge Filters Cost	Project Total
#1 - Pipeline Chlorine Contactor	\$560,000	\$828,000	\$1,388,000
#2 - New Standalone Chlorine Contact Chamber	\$390,000	\$828,000	\$1,218,000
#3 - Modify Existing Reservoir	\$300,000	\$828,000	\$1,128,000

GHD assessed the condition of the existing facilities. They established key design parameters such as well flow design and raw water quality. Disinfection levels, dosing, and chlorine contact time (CT) requirements were formulated in accordance with DDW requirements. Finally, chlorine and ammonia storage requirements were also established.

UD staff determined Option# 2, New Standalone Chlorine Contact Chamber, is the viable and streamlined option to pursue with a projected cost of \$1,218,000. This option was selected due to the quick construction timeline, simple design, and low maintenance. Water from the three wells will be routed to the tank site, chlorinated, filtered, and then piped into the contactor. This contactor will be placed on the tank site where it will have ammonia addition and enter the storage tank.

Approval of the recommended actions will result in a total appropriation of \$300,000 from the Water Utility Fund 570 to the new capital improvement project titled "Glen Ivy Water Treatment Plant". This funding is for design only. Funding for construction will be requested at a later date.

Item m - Change Order and Operating Budget Appropriation for Promise Network Inc., for Customer Payment Plan Processing Fees.

On June 9, 2021, the Utility Department (UD) staff presented to the Corona Committee of the Whole regarding utility bill delinquencies related to the COVID-19 pandemic. During the meeting, staff presented several options for the Committee's consideration which included engaging the services of Promise Network, Inc. (Promise Pay) to assist with payment arrangement plans for utility customers' past due balances. The UD began using Promise Pay's services in February 2022 and offered customers assistance by allowing them to pay high past due balances in manageable installment payments and avoid disconnection. There are currently 2,203 accounts enrolled in payment plans with Promise Pay. To date, they have successfully collected \$1,140,687.62 in payments and have set up payment plans for an additional \$1,969,267 to be collected from enrolled customers. Due to the high adoption and success of the program, the UD is requesting an increase to their annual contract from \$75,000 to \$150,000, which includes \$25,000 for their annual SaaS fees and the remaining portion to cover customer's payment transaction fees, as shown on the table below.

Description	Negotiated Price
PromisePay Annual SaaS Fee	\$25,000
Automatic Clearing House or ACH	\$1.35 per transaction
Credit/Debit/ Apple Pay/Google Pay/Venmo	\$2.75 for payments up to \$300 3% for payments greater than \$300

Item n - Prepare and process budgetary adjustments as needed to receive and record Title XVI Water Reclamation and Reuse Program Grant Funds.

In September 2016, City Council accepted a grant from the United States Department of the Interior Bureau of Reclamation (BOR) for the Title XVI Water Reclamation and Reuse Program Grant (Title XVI). The Title XVI Program is intended to identify and investigate opportunities to reclaim and reuse wastewater and naturally impaired ground and surface water. The grant award was for a Comprehensive Reclaimed Water Conversion for Corona, which included a list of multiple projects in the planning, design, and construction phases. Each project and phase requested would be funded at twenty-five percent (25%) of project costs up to a total of \$3,880,000. Because several of the projects on the list were future projects, the grant budget was only appropriated for the small group of projects that were active at that time.

In 2018, a Reclaimed Water Master Plan was completed which revised the Utility Department’s plan for the Comprehensive Reclaimed Water Conversion. The updated list of projects has been included in the current adopted Capital Improvement Project plan. The BOR requested a feasibility study for the new list of projects prior to approving the changes to the grant. The feasibility study has since been completed and submitted to the BOR for approval. Once the approval process is complete, Title XVI funds will be shifted to the new list of reclaimed water projects with a grant amendment. While the BOR goes through the approval process, the City has been authorized to continue to spend Title XVI funds on projects that were on the original funding list. The BOR has requested that the City hold off on any official budget transfers until after the feasibility study is approved but will allow grant funds to be spent on any authorized projects up to the \$3,880,000 maximum.

One of the originally approved Title XVI projects was the WRCRWA Reclaimed Waterline project (69710571). On September 7, 2022, City Council approved the award of Notice Inviting Bids 22-082CA to Ferreira Coastal Construction Company for this project. Additionally, a revised funding agreement with the Riverside County Flood Control and Water Conservation District was approved at this time.

Because of an increase in cost for the WRCRWA Reclaimed Waterline project, the originally allocated amount of Title XVI funding must be increased to reach 25% of the cost of the project. UD requests an appropriation of both an expenditure and an offsetting revenue budget in the amount of \$229,087 from the Water Utility Grant Fund (571) to the WRCRWA Reclaimed Waterline project (69710571).

The Old Temescal Reclaimed Waterline Project (70370567/70370571) was another originally approved Title XVI project. Design was completed for this project in FY22, and the remaining funding

was removed from the project until the start of construction, which is planned for FY2024. It was recently discovered that some minor additional work needs to be done on the design for this project. UD requests an appropriation of both an expenditure and an offsetting revenue budget in the amount of \$2,500 from the Water Utility Grant Fund (571) and an appropriation of \$7,500 from the Reclaimed Water Utility Fund (567) to the Old Temescal Reclaimed Waterline Project (70370567/70370571).

Additionally, UD requests authorization for the City Manager, or his designee, to prepare and process future budget adjustments for this grant as we complete the approval process for the reallocation of grant funding

FINANCIAL IMPACT:

Approval of all actions will have no additional financial impact. There is sufficient fund balance or working capital available in each of the respective funds for approval of the recommended actions.

FUND	APPROPRIATION	OFFSETTING REVENUE	NET IMPACT TOTAL
General Fund 110	\$41,252	\$3,252	\$38,000
Library Facilities Fund 206	\$75,000	\$0	\$75,000
Gas Tax Fund 222	\$215,000	\$0	\$215,000
NPDES FUND 245	\$153,323	\$0	\$153,323
Grants Fund 415	\$235,117	\$235,117	\$0
Traffic Offender Fund 422	\$35,000	\$0	\$35,000
Adult & Literacy Grant Fund 442	\$59,811	\$59,811	\$0
Reimbursement Grant Fund 480	\$85,000	\$85,000	\$0
Reclaimed Water Utility Fund 567	\$7,500	\$0	\$7,500
Water Utility Fund 570	\$588,250	\$0	\$588,250
Water Utility Grant Fund 571	\$231,587	\$231,587	\$0
Sewer Utility Fund 572	\$34,500	\$0	\$34,500
Electric Utility Fund 578	\$2,250	\$0	\$2,250

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 general rule that CEQA applies only to projects that have 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 action is not subject to CEQA. This action is to approve budgetary adjustments for Fiscal Year 2023, and there is no possibility that approval of the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JULIE KENNICUTT, BUDGET MANAGER

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

Attachments:

1. Exhibit 1 - Bulletproof Vest Partnership (BVP) FY 2022 Award Announcement
2. Exhibit 2 - FY 2022 BVP Awards
3. Exhibit 3 - BVP Allocation Status