



Staff Report

File #: 21-0991

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

DATE: 11/03/2021

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

FROM: Utilities Department

SUBJECT:

Resolution authorizing submittal of a grant application to the Bureau of Reclamation WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2022.

EXECUTIVE SUMMARY:

The Utilities Department proposed to submit a funding application to the Bureau of Reclamation to complete the upgrade and installation of Advanced Metering Infrastructure throughout the City. Grant funding will partially offset the currently budgeted Capital Improvement Project's Advanced Metering Infrastructure Meter Replacement Project No. 76340.

RECOMMENDED ACTION:

That the:

- a. City Council adopt Resolution No. 2021-127 approving the application for grant funds for WaterSMART: Water and Energy Efficiency Grants for Fiscal Year 2022 Grant Program, Funding Opportunity Announcement No. R22AAS00023.
- b. City Council designate the City Manager, or his designee, to receive and spend Water SMART: Water and Energy Efficiency 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 an 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 for the completion of the grant program that is consistent with or in furtherance of the City Council's actions hereunder.

- d. City Council authorize the Finance Director, or her designee, to prepare and process any budgetary adjustments to receive and record WaterSMART: Water and Energy Efficiency 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 United States Department of the Interior's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for Federal assistance to stretch and secure water supplies for future generations. Through this program, the Bureau of Reclamation (BOR) leverages federal and local funding to increase water supply sustainability through investments in existing infrastructure and attention to local water conflicts. The program provides financial assistance for projects that seek to conserve and use water more efficiently, resulting in quantifiable and sustained water savings.

In 2012, the City of Corona applied for and was awarded a Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant (WEEG). This grant allowed the City to replace and/or retrofit 1,311 outdated meters with "smart" meters with advanced metering technology capabilities. The City has continued to install Advanced Metering Infrastructure (AMI) meters through new development and currently has 4,405 AMI meters in the system. Once a robust software system is in place, these meters will help the City mitigate undetected leaks and unaccounted for water usage and loss in a timely and efficient manner, with 24/7 monitoring and alert capabilities.

Approximately 40,000 meters still need to be upgraded to the advanced metering technology through the AMI Meter Replacement project at a total cost of \$18 million as approved in the current Capital Improvement Project Five Year Plan.

ANALYSIS:

The AMI Meter Replacement Project will replace and/or retrofit Citywide direct read water meters with AMI meters. By completing the project, the Department will obtain real-time remote meter reads, detect leaks in real-time, and provide the customers the ability to monitor their usage in real-time, which should result in water savings.

The City is in the process of securing an independent consultant to evaluate the project and recommend the type of metering infrastructure most appropriate for the system. The consultant will review the various options available for AMI, along with the City's system and requirements. The consultant will make a recommendation on the system that best fits the City's needs. Once this determination is made, the City can move forward with a Request For Proposals to install the new meters.

The Department has been actively seeking grant funding to help offset the cost of this important project. The WaterSMART: WEEG Program is an excellent match for the AMI Meter Replacement project. The program's water conservation goals align well with the water savings anticipated to be

achieved by replacing and/or retrofitting 40,000 direct read meters. The City previously received this funding for a similar project, and in 2020, the BOR awarded over 27 percent of the funding for this program for Advanced Metering projects. AMI projects seem to be strongly supported through this program based on past awards.

As required by the BOR, Staff recommends adoption of Resolution No. 2021-127, authorizing the City to apply for WaterSMART: WEEG funding. If received, this grant funding will partially offset the cost of the existing AMI Meter Replacement project up to a maximum of \$2 million over the three-year period.

FINANCIAL IMPACT:

Approval of the recommended actions may result in an appropriation for the award (up to \$2 million) in the AMI Meter Replacement Project (76340) and an offsetting revenue budget for the amount of the award 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 a resolution to apply for WaterSMART: WEEG 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, BUSINESS MANAGER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

Attachments:

1. Exhibit 1: Resolution No. 2021-127