File #: 22-0079, **Version:** 1

REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

DATE: 01/19/2022

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 and Multibenefit Drought Relief Grant Program.

EXECUTIVE SUMMARY:
Staff is proposing to submit a funding application in the amount of $4 million to the California Natural Resources Agency Department of Water Resources to complete the upgrade and installation of Advanced Metering Infrastructure throughout the City. The proposed grant funding will partially offset the cost of the currently budgeted Advanced Metering Infrastructure Meter Replacement Project No. 76340.

RECOMMENDED ACTION:
That the:

a. City Council adopt Resolution No. 2022-008 authorizing the submittal of an application for the Department of Water Resources 2021 Urban and Multibenefit Drought Relief Grant Program.

b. City Council designate the City Manager, or his designee, to receive and spend Urban and Multibenefit 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 Finance Director, or her designee, to prepare and process any

budgetary adjustments to receive and record Urban and Multibenefit 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. By completing the project, 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 water usage in real time, which should result in water savings estimated at 1,787 acre feet (AF) per year.

The project total cost is estimated to be $22,900,000. Currently, $500,000 is budgeted in the AMI Meter Replacement Project No. 76340 with the balance of $22,400,000 to be requested in Fiscal Year 2023 during the annual budget process. The Utilities Department (UD) has been actively seeking grant funding to help offset the cost of this project. In October 2021, the UD submitted a request to Riverside County Flood Control and Water Conservation District to fund a portion of the AMI Meter Replacement Project up to $5 million. On November 3, 2021, the City Council approved a resolution for UD to apply for the Fiscal Year 2022 WaterSMART: Water Energy and Efficiency Grants Program for a federal grant of up to $2 million dollars for the AMI Meter Replacement Project. At the time of this report, neither of those grant opportunities have announced whether funding will be awarded for the project. The UD has continued to seek out additional opportunities to help fund this project.

In October 2021, the California Natural Resources Agency Department of Water Resources (DWR) released a grant solicitation for the 2021 Urban and Multibenefit Drought Relief Grant Program. This program was authorized pursuant to the Budget Act of 2021 and its Trailer Bill, Assembly Bill 148. A total of $300 million was allocated to the program by the State to deliver grants for interim and immediate drought relief to urban communities and for multibenefit projects. The 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, and to protect fish and wildlife resources.

As a drought resiliency project, the AMI Meter Replacement project qualifies for the Urban and Multibenefit Drought Relief program, and the UD recommends authorization of an application for this grant.

ANALYSIS:

The AMI Meter Replacement Project is a good fit for the Urban and Multibenefit Drought Relief Grant program. Efficient water use is the most cost-effective way to achieve the long-term water conservation and water supply reliability goals of this program, which 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

and will result in water savings estimated at 1,787 acre feet (AF) per year, or more than 582 million gallons.

In addition to the estimated water savings, the project should result in estimated energy savings up to 2,503,734 kilowatt hours. This energy savings is achieved not only by reducing water usage in residential households, but also by reducing the upstream energy required to extract, convey, treat, and distribute water, as well as 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. By eliminating the need to drive to collect data, a reduction in GHGs will be achieved.

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

As required by DWR, Staff requests approval of a resolution authorizing the City to apply for the Urban and Multibenefit 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 $4 million over the three-year period.

FINANCIAL IMPACT:
Approval of the recommended actions may result in a grant award and appropriation in an amount up to $4 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 and Multibenefit 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, BUSINESS MANAGER

REVIEWED BY: TOM MOODY, UTILITIES DIRECTOR

Attachments:

1. Exhibit 1: Resolution No. 2022-008 for the Urban and Multibenefit Drought Relief Grant Application

2. Exhibit 2: Urban and Multibenefit Drought Relief Grant Application