

STAFF REPORT

City Council Business Agenda Item

DATE: April 4, 2022

TO: Honorable Mayor and Council Members

FROM: Brendan Byrd, City Engineer

THROUGH: Merritt Perry, City Manager

SUBJECT: **Authorize the City Manager to Submit a Drinking Water State Revolving Fund Planning Grant, *Resolution 2022-12***

STAFF RECOMMENDATION:

Approve *Resolution 2022-12* authorizing the City Manager to submit a Drinking Water State Revolving Fund Planning Grant for the Drinking Water System Asset Management Plan and execute all related documents.

EXECUTIVE SUMMARY:

The City of Fortuna owns and operates a municipal potable water system throughout the entirety of the City limits. The City's water source is a well field located on Eel River Drive, and after treatment and chlorination, water is pumped through a network of water main pipe to one of four water storage reservoirs/tanks. The City also operates five water booster stations located throughout the City. Like much of the City's infrastructure, the water system has grown through time and is composed of facilities of varying age, material type, condition, and technology.

In last years' Capital Improvement Program (CIP) update staff identified the need to undertake a comprehensive water system master planning project. The purpose of the project is to perform an engineering analysis to create a roadmap for how to best maintain, manage, expand, and fund the City's water operations over the next 15-25 years. Specific questions that staff hope to address in this effort are bulleted below:

1. What portions of the City's existing water infrastructure are aging and need replacement?
2. Is there existing infrastructure that is limiting the required fire or municipal use delivery capacity?
3. What improvements to the system are required to meet future water use demands?
4. Are there opportunities to reduce energy or pumping costs?
5. Are there available technologies that could reduce staff time?

Last year staff began to develop a Request for Proposals for this project when it was discovered that the Drinking Water State Revolving Fund (DWSRF), administered through the State Water

Resources Control Board, had grant funding for local agencies to perform planning level investigations and studies. Maximum grant funding is available up to \$500,000 per agency, and as a disadvantaged community the City would not be required to provide a local match. For reference, this program is very similar to the funding source (Clean Water SRF) that was obtained in 2017 to perform the Prefeasibility Phase of the City's Wastewater Compliance Project (CIP 0171). Due to limited staff capacity in 2021, the City executed a task order with our on-call engineering consultant to complete the grant application on the City's behalf, and work with staff through the scoping phase to develop a project definition that fits the City's needs and goals.

Similar to various other grant funding programs that the City has applied for in recent years, this grant requires an Authorizing Resolution. This resolution is formal documentation that the agency's governing body approves the application to the DWSRF, and designates an individual authorized to execute the grant agreement. For the City's proposed application to the DWSRF for the Water System Asset Management Plan, Resolution 2022-12 has been developed for the consideration of the Council and can be found in Attachment A.

This resolution is one of the final remaining items in compiling a complete grant application. Staff anticipate that within two-weeks from the approval date that the full application is submitted to the State Water Board.

FISCAL IMPACT:

Staff authorized the development of the full grant application as a task order on the City's on-call engineering consultant contract. This effort was funded using approximately \$5,000 from the City's available water fund budget for professional and engineering services from FY 2021/22. If the grant application is successful, staff anticipate a grant award of approximately \$500,000, which would require no other City matching funds.

RECOMMENDED COUNCIL ACTION:

1. Receive staff report and review questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to authorize the City Manager to Submit a Drinking Water State Revolving Fund Planning Grant and adopt *Resolution 2022-12*; and read by title only. Roll Call vote

ATTACHMENTS:

- *Resolution 2022-12, A Resolution Of The City Council of the City Of Fortuna Approving the Application for Grant Funds from the Drinking Water State Revolving Fund*