



## STAFF REPORT TO THE CITY COUNCIL

**DATE:** Regular Meeting of July 25, 2017

**TO:** Honorable Mayor and Members of the City Council

**SUBMITTED BY:** Scott Buenting, Project Manager *SB*

**APPROVED BY:** Lynne B. Filson, Assistant City Engineer II *LB*

**SUBJECT:** Application to the California Department of Water Resources to Obtain a Water Desalination Grant for the Brackish Water Desalination Project (P.W. 694)

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### RECOMMENDED ACTION

It is recommended that the City Council adopt the attached resolution and authorize the City Manager to submit a grant application, execute a funding agreement and certify funding disbursement to the California Department of Water Resources for grant funding up to \$10,000,000 from the Proposition 1 Water Desalination Grant Program for the Brackish Water Desalination Project.

### STRATEGIC PURPOSE

This item supports Strategy K-1 in the Strategic Plan by ensuring well maintained public facilities and Strategy K-2 by delivering high quality water to our customers. By investigating and pursuing alternative potable water sources, especially in times of severe drought and to improve treated water reliability, this project is an important part of maintaining a highly functioning and reliable water system.

### FISCAL IMPACT

This action will authorize the City to apply for \$10,000,000 in grant funding from the California Department of Water Resources' Proposition 1 Water Desalination Grant program. The cost of preparing this grant application is included in an existing contract with Carollo Engineers. This grant program requires the recipient to provide a funding match of at least a 50% of the total cost of the project. The total cost of environmental certification, design and construction of this project is estimated to be \$60,000,000. The City's funding match may be satisfied through various sources including local funds, grants, loans or bonds. Staff is also exploring regional and private partnerships to contribute to the financing of this project.

### DISCUSSION

As the purveyor of the Antioch water system, the City treats and distributes raw water obtained from two sources; the San Joaquin River and the Contra Costa Canal. The City's ability to divert water from the San Joaquin River is dependent upon the concentration of chlorides in the water. There are times in every year when the salt concentration in the river water rises and the elevated chloride levels cause the water to be unusable by the City's existing water treatment facility. At these times, the City relies

solely upon the Contra Costa Water District through the Contra Costa Canal for our raw water.

With pre-1914 adjudicated water rights to divert water for the needs of Antioch from the San Joaquin River, the City is in a unique and fortunate position of being able to pursue alternative means for treating water with high chloride levels. Over the last three years the City has made significant progress developing a brackish water desalination project with a goal of continuing to provide a high quality and reliable water supply during times of fluctuating River water quality. This project includes modifications to the City's River intake and conveyance infrastructure, new reverse osmosis units and brine disposal facilities. The new facility would have a direct connection to the City's River intake and allow the City to treat River water when the chloride concentration is too high for conventional treatment and distribution to the public. The proposed facility would enable the City to withdraw water from the River year-round and provide protection during drought years and long-term changes to Delta water management.

On August 11, 2015 the City Council awarded a contract to Carollo Engineers to perform initial planning study of a brackish water treatment facility. This study identified grant opportunities, such as the State Water Resources Control Board (SWRCB) Low Interest Loan program and the Department of Water Resources (DWR) Proposition 1 Water Desalination Grant program. Earlier this year, the City obtained a \$1,000,000 low interest planning loan from the SWRCB Drinking Water State Revolving Fund Loan program. This loan is currently being utilized to fund ongoing planning, engineering, and environmental certification activities.

DWR has recently issued the Round 4 Proposal Solicitation Package for their Proposition 1 Water Desalination Grant Program. This program has allocated \$93,100,000 of grant funding to support brackish water and seawater desalination projects. The maximum funding that may be awarded for the design and construction of a single project is \$10,000,000. The City has not reviewed the Environmental Impact Report and selected a project, however Staff is recommending an application be made to DWR to obtain Water Desalination Grant funding in the amount of up to \$10,000,000 for the design and construction of the Brackish Water Desalination project. Applications for this grant are due September 1<sup>st</sup> and this action allows the City to continue to explore this funding opportunity.

#### **ATTACHMENTS**

A: Authorizing Resolution



**ATTACHMENT "A"**

**RESOLUTION NO. 2017/\*\***

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH  
AUTHORIZING THE FILING OF A FINANCIAL ASSISTANCE APPLICATION WITH THE  
CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR A GRANT UP TO  
\$10,000,000 FROM THE WATER DESALINATION GRANT PROGRAM FOR THE  
BRACKISH WATER DESALINATION PROJECT  
(P.W. 694)**

**WHEREAS**, pursuant and subject to all of the terms and provisions of the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Proposition 1, California Water Code Section 79700 et seq.) the California Department of Water Resources is sponsoring Round 4 funding of the Water Desalination Grant Program; and

**WHEREAS**, the City Council of the City of Antioch seeks financial assistance from the California Department of Water Resources up to \$10,000,000 from the Water Desalination Grant Program for the Brackish Water Desalination Project (Project); and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Antioch that the City Manager or his/her designee is hereby authorized and directed to sign and file, for and on behalf of the City of Antioch, an application for funding from the Department of Water Resources for an amount not to exceed \$10,000,000, for the project titled Brackish Water Desalination, under the terms and provisions of the Water Desalination Grant Program; and

**BE IT RESOLVED** that the City of Antioch hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the City of Antioch has and will comply with all applicable state and federal statutory and regulatory requirements related to any federal and state funds received; and

**BE IT RESOLVED** that the City Manager or his/her designee of the City of Antioch is hereby authorized to negotiate and execute a funding agreement and any amendments or change orders thereto, and to certify funding disbursement on behalf of the City of Antioch.

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**I DO HEREBY CERTIFY** that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the City Council of the City of Antioch at a regular meeting thereof held on the 25<sup>th</sup> day of July, 2017 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

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**ARNE SIMONSEN**  
**CITY CLERK OF THE CITY OF ANTIOCH**