



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
June 21, 2022

TOPIC: Bureau of Reclamation Grant for Well 38

AGENDA TITLE

Approve Appropriation Adjustment Accepting Bureau of Reclamation WaterSMART Drought Response Program Grant Funds in the Amount of \$2,000,000 for the Well 38 Water Treatment Project (Project No. 22-6470) (Non-General Fund)

RECOMMENDED ACTION

Approve an appropriation adjustment accepting Bureau of Reclamation WaterSMART Drought Response Program grant funds in the amount of \$2,000,000 into the Miscellaneous Revenue, Federal Grant-Direct revenue account and appropriating the same amount to the Water-SMART-Watershed Management Program, Reserve Appropriation expenditure account for future year expenditures. *(Requires five affirmative votes)*

DISCUSSION

The Public Works Agency's Water Resources Division oversees and maintains the daily operations of the City's water and sanitary sewer systems. The water system has an average daily demand of 43 million gallons from its roughly 45,000 service connections. The majority of the City's potable water comes from the Orange County Groundwater Basin (OC Basin) and is pumped through 20 City wells.

Due to the presence of per- and polyfluoroalkyl substances (PFAS) found during routine well monitoring, several wells in the OC Basin have been taken offline, including Well 38 in Santa Ana. Given the limited water supplies in the region, along with recent recurring drought conditions, removing wells from the City's potable water distribution system reduces the system's reliability while increasing the burden on other City water production facilities and reliance on imported water sources. The City aims to mitigate this by constructing treatment facilities at affected wells that will effectively remove PFAS from the water, allowing the water to be reintroduced into the distribution system.

On November 2, 2021, the City Council authorized staff to submit a grant application to the United States Bureau of Reclamation WaterSMART (Sustain and Manage America's Resources for Tomorrow) Drought Response Program for the Well 38 Water Treatment Project. The grant program provides funding up to a maximum of \$2,000,000, which may

not exceed 50 percent of the total project cost. The City was notified the Well 38 Project was awarded funding in the full requested amount of \$2,000,000. Funds from this award will help offset the estimated overall project cost of \$5,400,000.

Approval of the appropriation adjustment accepts the Bureau of Reclamation WaterSMART Drought Response Program grant award into the Miscellaneous Revenue, Federal Grant-Direct revenue account and appropriates the funds to the WaterSMART-Watershed Management Program, Reserve Appropriation expenditure account for future year expenditures.

ENVIRONMENTAL IMPACT

There is no environmental impact is associated with the action.

FISCAL IMPACT

Approval of the requested appropriation adjustment to accept \$2,000,000 in Bureau of Reclamation WaterSMART grant funds into the Miscellaneous Revenue, Federal Grant-Direct revenue account (No. 16417002-52000) and appropriate the same amount into the WaterSMART-Watershed Management Program, Reserve Appropriation expenditure account (No. 16417641-69011) for future year expenditures for the Well 38 Water Treatment Project (Project No. 22-6470).

Fiscal Year	Accounting Unit – Account No.	Fund Description	Accounting Unit, Account Description	Amount
2022-23	16417641-69011	PWA Enterprise Capital Grants	WaterSmart- Watershed Mgmt Program, Reserve Appropriation	\$2,000,000

EXHIBIT(S)

1. Bureau of Reclamation Notice of Award and Assistance Agreement

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Kristine Ridge, City Manager