

Resolution No. 2022-XXX N.C.S.
of the City of Petaluma, California

**RESOLUTION AUTHORIZING THE UPDATED WATER RECYCLING
FUNDING PROGRAM GRANT APPLICATION AND AUTHORIZING THE CITY
MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE PROFESSIONAL
SERVICES AGREEMENT FOR INTEGRATED WATER MASTER PLAN AND
RECYCLED WATER FACILITIES PLANNING STUDIES AND TO EXECUTE
FINANCIAL ASSISTANCE APPLICATIONS AND GRANT AGREEMENTS WITH
THE CALIFORNIA STATE RESOURCES CONTROL BOARD'S WATER
RECYCLING FUNDING PROGRAM, AND FINDING THIS ACTION IS EXEMPT IN
ACCORDANCE WITH CEQA GUIDELINES SECTION 15262**

WHEREAS, the City of Petaluma is a California municipal corporation and charter city authorized to provide water services within certain boundaries in accordance with Government Code Section 38730 *et seq.*, Title 15 of the Petaluma Municipal Code, and other applicable law; and

WHEREAS, the City's primary source of water supply is Sonoma Water, which delivers imported water from the Russian River and groundwater wells in the Santa Rosa Plain to the City of Petaluma pursuant to the Restructured Agreement; and

WHEREAS, the historic dry conditions have resulted in severely low storage levels in both Sonoma Water's water storage reservoirs, Lake Mendocino, and Lake Sonoma, requiring the State Water Resources Control Board (SWRCB) to adopt an emergency regulation authorizing the Division of Water Rights to issue curtailment notices to protect water storage levels and instream flows in the Russian River; and

WHEREAS, the required SWRCB curtailments have resulted in Sonoma Water and its contractors reducing total diversion from the Russian River by 20% for two consecutive years; and

WHEREAS, the City of Petaluma has the authority and pursuant to the Restructured Agreement is obligated to adopt water demand reduction measures within its area of service during water supply shortages in accordance with water supply reductions imposed by Sonoma Water; and

WHEREAS, on June 21, 2021, the City Council adopted Resolution No. 2021-103 N.C.S. Implementing the City's 2020 Water Shortage Contingency Plan; and

WHEREAS, the California State Water Resources Control Board offers financial assistance in the form of grant funding through its Water Recycling Funding Program (WRFP) for water recycling planning; and

WHEREAS, at the January 24, 2022, Council meeting, the Council adopted Resolution No. 2022-009 N.C.S. authorizing the City's participation in the SWRCB's WRFP for the City's Recycled Water Master Plan; and

WHEREAS, pursuant to the adopted resolution, staff submitted a planning grant application for a Recycled Water Master Plan in February 2022; and

WHEREAS, since that time, the City has updated its approach to recycled water program planning to that of a One Water approach and intends to develop an Integrated Water Master Plan, which will include two grant-eligible feasibility planning studies evaluating alternatives for 1) non-potable and potable recycled water and 2) recycled water storage; and

WHEREAS, the SWRCB has increased the maximum WRFPP grant award from \$150,000 with a 50% local match to a maximum award of \$500,000, increasing the City's opportunity to recoup planning costs with outside funding; and

WHEREAS, in November 2022, the City submitted two recycled water facilities study plans to update and replace the original application for a Recycled Water Master Plan; and

WHEREAS, the updated study plans are for Non-Potable and Potable Reuse (project cost \$264,517) and Recycled Water Storage (project cost \$188,106), both of which are eligible for up to 50% grant funding; and

WHEREAS, the City entered into a Professional Services Agreement (PSA) with Kennedy Jenks in November 2022 for the amount of \$159,665 to begin foundational master planning work and develop preliminary high-level project descriptions and costs associated with water supply projects while awaiting news of grant award for the recycled water facilities planning studies; and

WHEREAS, upon the City Council's approval of this resolution, the City will amend the existing PSA with Kennedy Jenks to include the full scope of work required to complete the intended IWMP in its entirety, including the two recycled water facilities planning studies, and considering potential grant funding; and

WHEREAS, the amended grant application to develop two recycled water facilities study plans as part of an Integrated Water Master Plan is exempt in accordance with CEQA Guidelines Section 15262 as the project involves feasibility studies for potential future actions and does not commit the City to a definite course of action. (See City of Irvine v. County of Orange (2013) 221 Cal 4th 846, 865 (County's decision to apply for state funding for potential jail expansion was not project approval), and any future actions that result from the recycled water facilities study plans and Integrated Water Master Plan will require their own CEQA analyses.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Petaluma as follows:

1. The above recitals are hereby declared to be true and correct and to be findings of the City Council of the City of Petaluma.
2. Finds that the grant application to develop two recycled water facilities study plans as part of a comprehensive Integrated Water Master Plan is exempt in accordance with CEQA Guidelines Section 15262 as the project involves feasibility studies for potential future actions and does not commit the City to a definite course of action. (See City of Irvine v. County of Orange (2013) 221 Cal 4th 846, 865. The County's decision to apply for state funding for potential jail expansion was not project approval). Any future actions that result from the feasibility studies and Integrated Water Master Plan will require their own CEQA analyses.
3. That pursuant and subject to all the terms and provisions of the Budget Act of 2021 (Stats. 2021, Ch. 240, § 80), the City of Petaluma's City Manager, or designee, is hereby authorized and directed to sign and file, for and on behalf of the City of Petaluma, a Financial Assistance Application for a grant agreement from the California State Water Resources Control Board's Water Recycling Funding Program for the two recycled water facility study plans in the amount of approximately \$226,593.
4. The City of Petaluma's City Manager or designee is hereby designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a

financial assistance agreement with the State Water Resources Control Board and any amendments or changes thereto.

5. The City of Petaluma's City Manager or designee is hereby designated to represent the City of Petaluma in carrying out the City's responsibilities under the grant agreement, including certifying disbursement requests on behalf of the City and compliance with applicable state and federal laws.
6. If a grant award is made by the California State Water Resources Control Board, the City of Petaluma commits to provide the match in the amount of approximately \$227,000 in funding from the City's wastewater enterprise fund for the Integrated Water Master Plan plus any remaining balance.
7. The City of Petaluma's City Manager or designee is hereby authorized to execute Amendment No. 1 to the professional services agreement for the Integrated Water Master Plan and recycled water facilities planning studies.
8. This resolution shall become effective immediately.

Under the power and authority conferred upon this Council by the Charter of said City.

REFERENCE:

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 5th day of December 2022, by the following vote:

Approved as to
form:

City Attorney, Eric Danly

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

City Clerk, Kendall Rose

Mayor, Teresa Barrett