



REPORT TO COUNCIL City of Sacramento

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www. CityofSacramento.org

Consent
May 26, 2009

Honorable Mayor and
Members of the City Council

Title: Authorization to Apply for Safe Drinking Water State Revolving Fund Funding with the California Department of Public Health for the Water Meter Retrofit Project

Location/Council District: Council Districts 1, 2, 6, 7 and 8

Recommendation: Adopt a Resolution authorizing the City Manager to sign and file on behalf of the City of Sacramento a Financial Assistance Application for Safe Drinking Water State Revolving Fund funding with the California Department of Public Health for the Water Meter Retrofit Project.

Contact: David L. Brent, Engineering Manager, 808-1420; Rick Matsuo, Supervising Engineer, 808-1728

Presenters: N/A

Department: Utilities

Division: Engineering Services

Organization No: 14001311

Description/Analysis

Issue: On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) became federal law. Within California, the ARRA will provide approximately \$160 million to the Safe Drinking Water State Revolving Fund (SDWSRF) for infrastructure development for California's drinking water systems.

From February 1 to 27, 2009, the California Department of Public Health (CDPH) held an open pre-application period for the ARRA funding. Over 2,200 pre-applications were received, with the funds requested exceeding \$6.8 billion. CDPH prioritized projects in accordance with existing SDWSRF procedures, based on

health risk, median household income, population, and water system type. From the prioritized list of projects, CDPH identified the projects that were the most ready to proceed to assure compliance with ARRA requirements and to create jobs immediately. To date, CDPH has issued a "draft" fundable project list including the highest ranking projects. The Water Meter Retrofit Project has been identified on CDPH's draft fundable projects list with ARRA funding of \$20 million (\$10 million grant and \$10 million loan).

This report requests authorization to file a Financial Assistance Application with the CDPH.

Policy Considerations: This report's recommendation is consistent with the City's Strategic Plan Goals of improving and expanding public safety and achieving sustainability and livability.

Environmental Considerations:

California Environmental Quality Act (CEQA): The application for funding of projects from the ARRA is exempt from CEQA because it does not constitute a "project" subject to environmental review [CEQA Guidelines Section 15378 (b)(4)]. Moreover, water meter retrofits are exempt from CEQA under Section 15301(b) and (c) and Section 15303(d) of the CEQA Guidelines. Projects exempt under Section 15301(b) and (c) consist of minor alteration or repair of existing utility facilities and sidewalks. Projects exempt under Section 15303(d) consist of installation and location of new, small utility facilities.

Sustainability Considerations: The project is consistent with the Sustainability Master Plan goals to help improve water conservation awareness, as the installation of water meters will allow the City to provide a monthly statement of water usage to the customers, and metered billing will improve water conservation. The Meter Retrofit furthers the City's progress in implementing the Water Forum Agreement and the California Urban Water Conservation Council Best Management Practices (BMPs 1, 4, and 7).

Other: Not Applicable

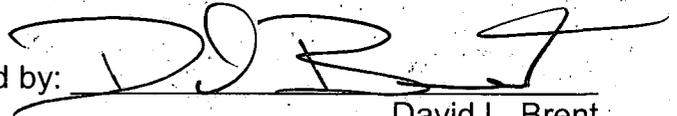
Commission/Committee Action: None

Rationale for Recommendation: This will allow the Department of Utilities to apply for stimulus funding under the ARRA for water meter retrofits in the areas shown on Attachments 1-7.

Financial Considerations: There is sufficient Water funding (Fund 6005) in the water meter retrofit project to perform the staff work necessary to secure the funding.

MBE/WBE and Emerging Small Business Development (ESBD): MBE/WBE and ESBD considerations do not pertain to this funding application. Contracts for which funding is accepted will require compliance with applicable MBE/WBE and/or ESBD requirements.

Respectfully Submitted by:



David L. Brent
Engineering Services Manager

Approved by:



Marty Hanneman
ACM/Director of Utilities

Recommendation Approved:

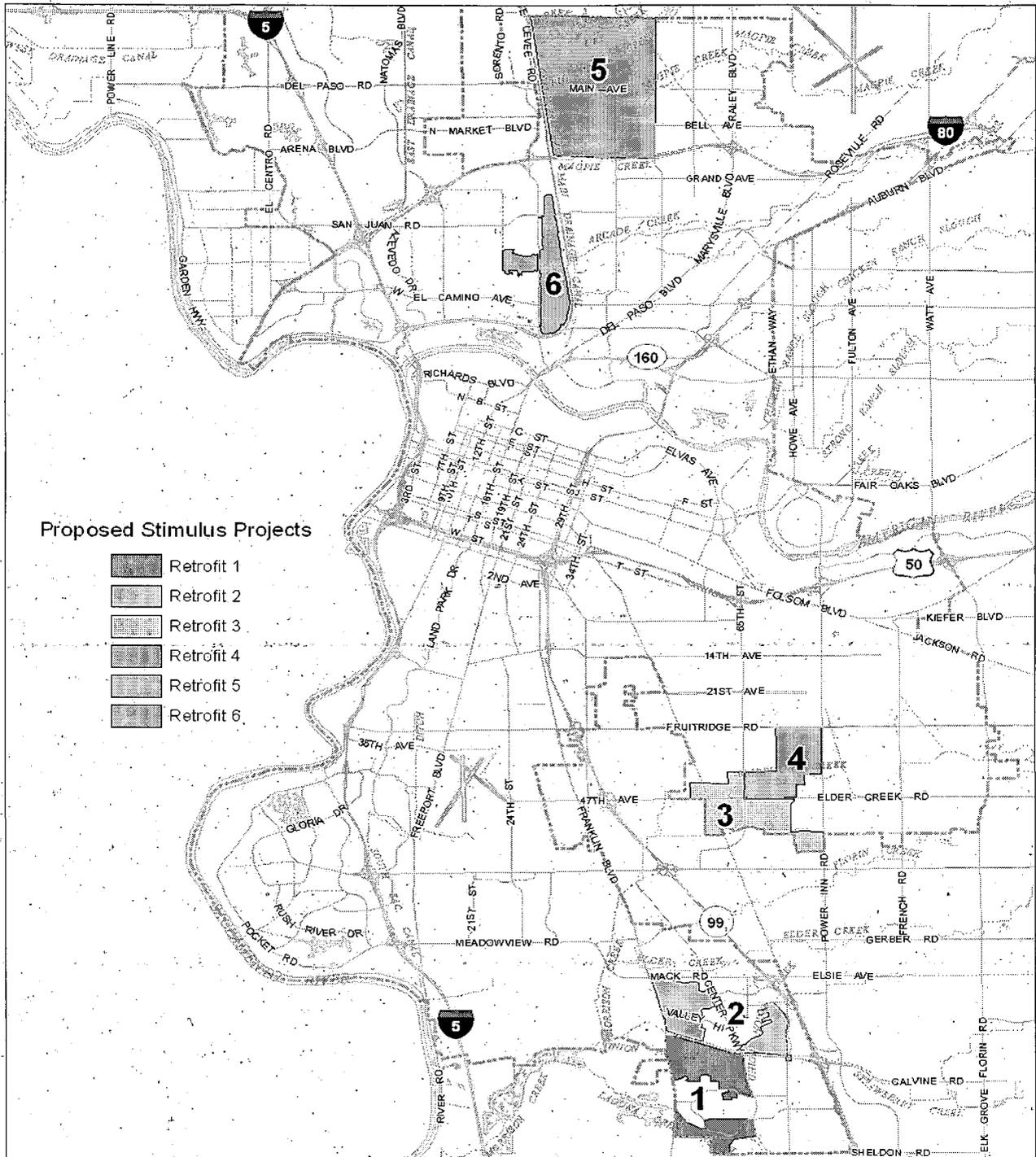


Ray Kerridge
City Manager

Table of Contents:

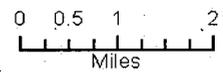
Report	pg. 1 - 3
Attachments	
1 Location Map	pg. 4
2 Stimulus Retrofit 1 Map	pg. 5
3 Stimulus Retrofit 2 Map	pg. 6
4 Stimulus Retrofit 3 Map	pg. 7
5 Stimulus Retrofit 4 Map	pg. 8
6 Stimulus Retrofit 5 Map	pg. 9
7 Stimulus Retrofit 6 Map	pg. 10
8 Background	pg. 11
9 Resolution	pg. 12

Attachment 1

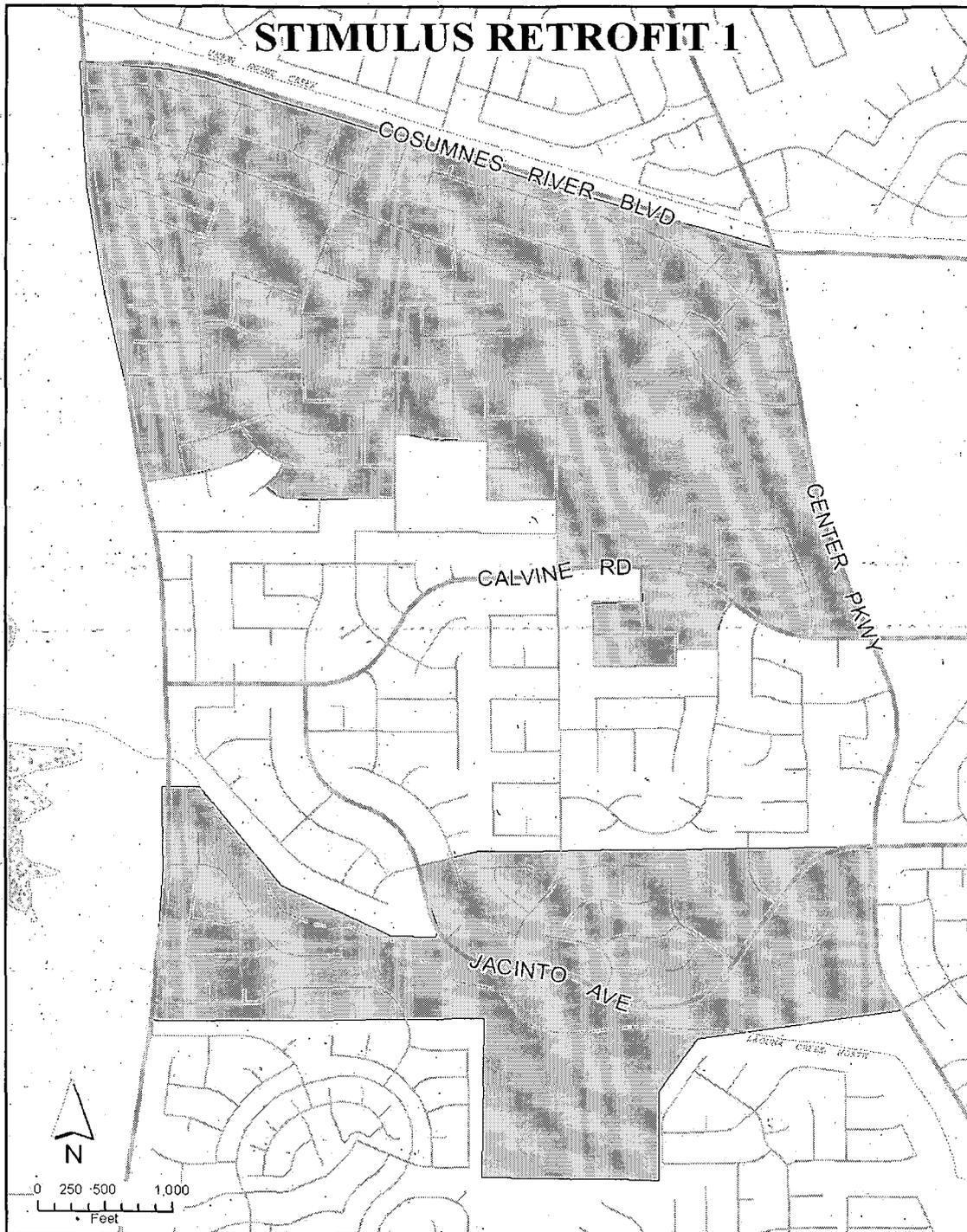


Proposed Stimulus Projects

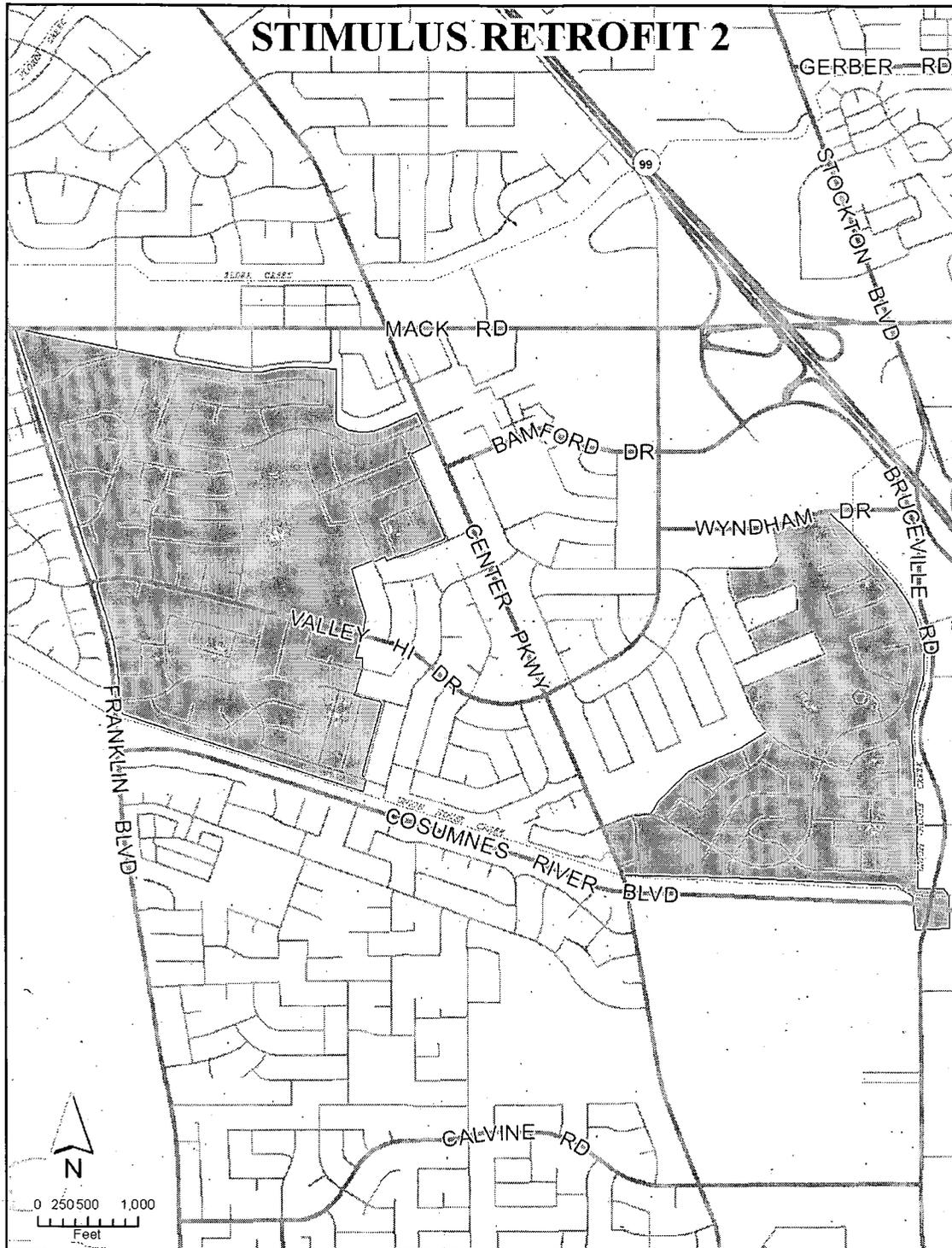
-  Retrofit 1
-  Retrofit 2
-  Retrofit 3
-  Retrofit 4
-  Retrofit 5
-  Retrofit 6



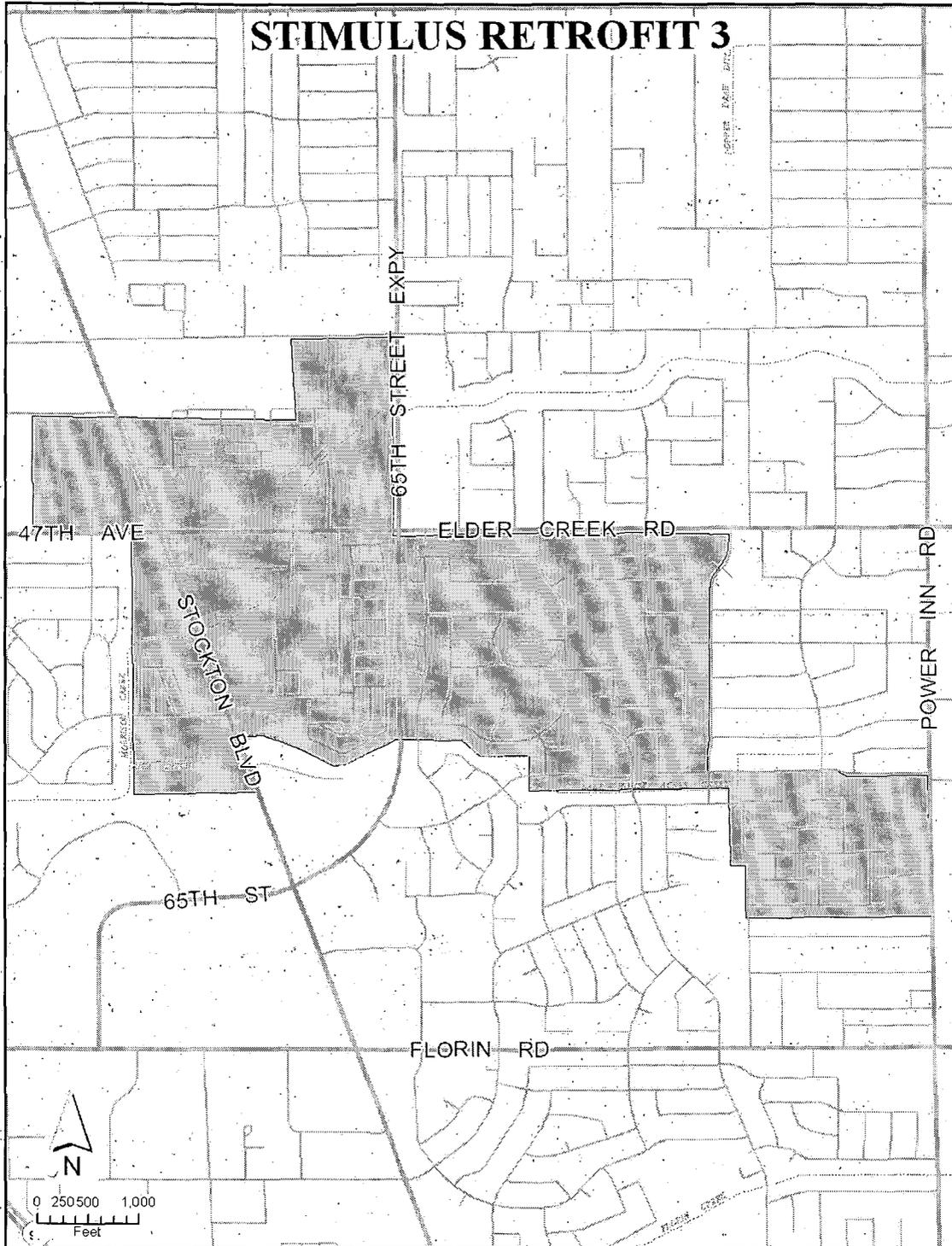
Attachment 2



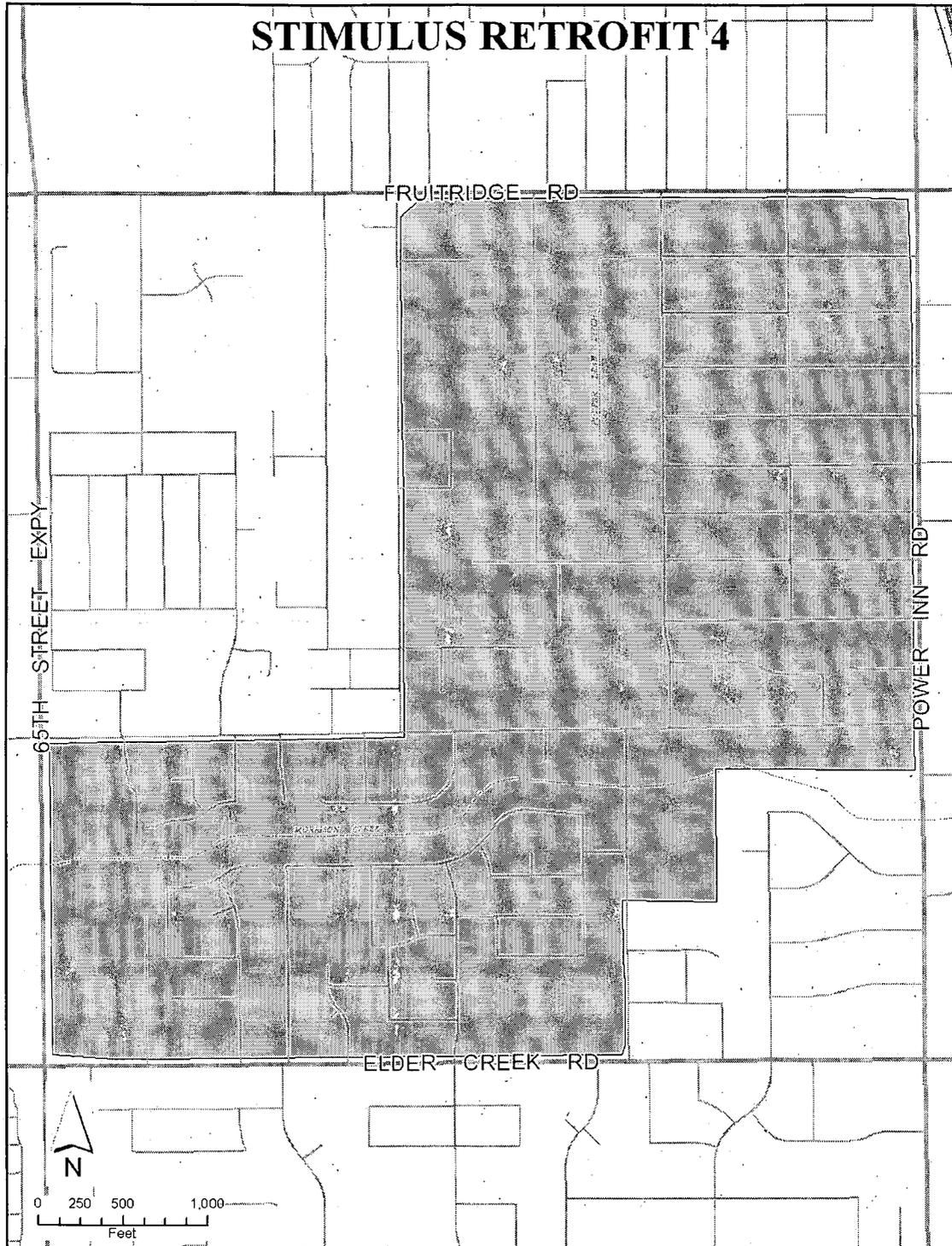
Attachment 3



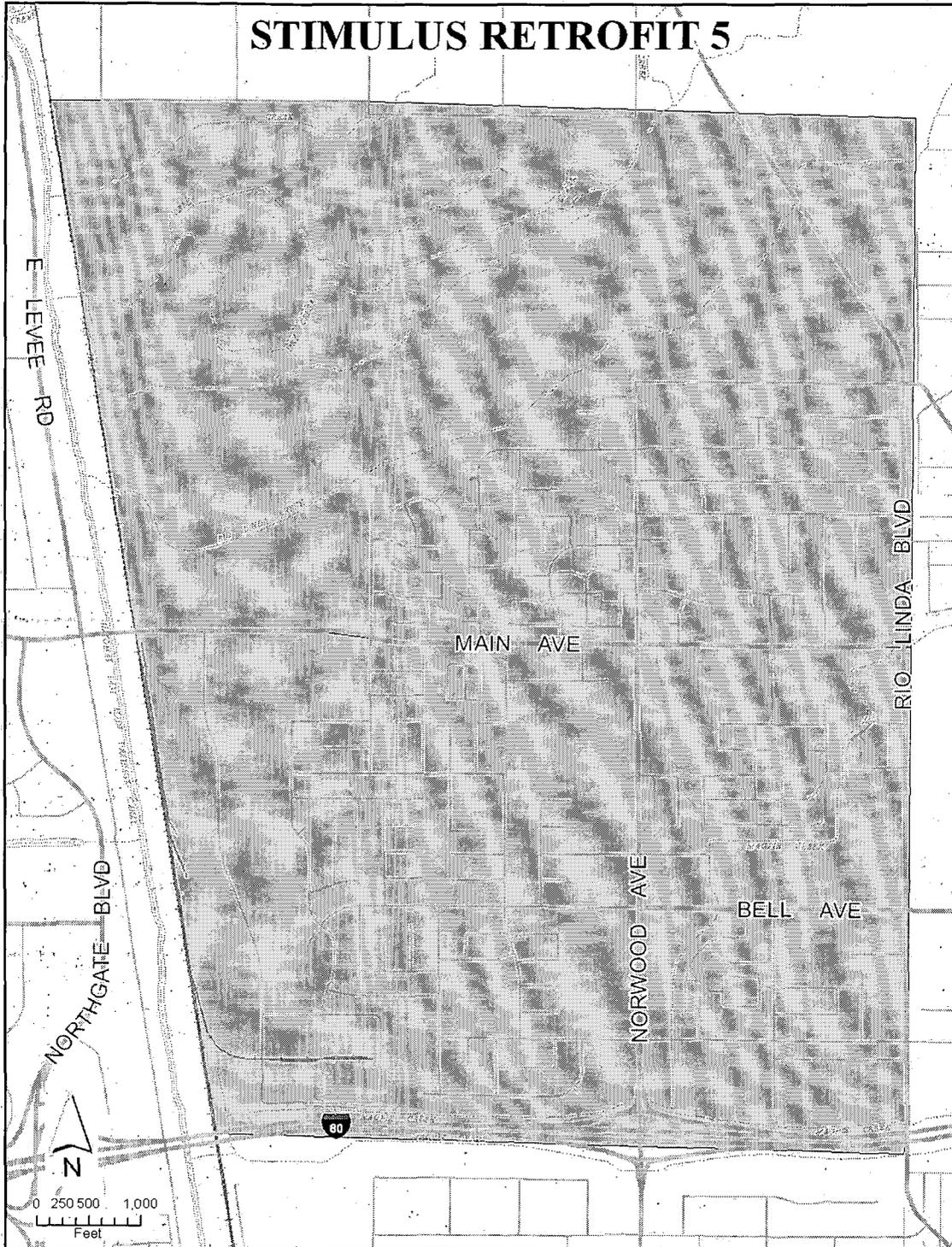
Attachment 4



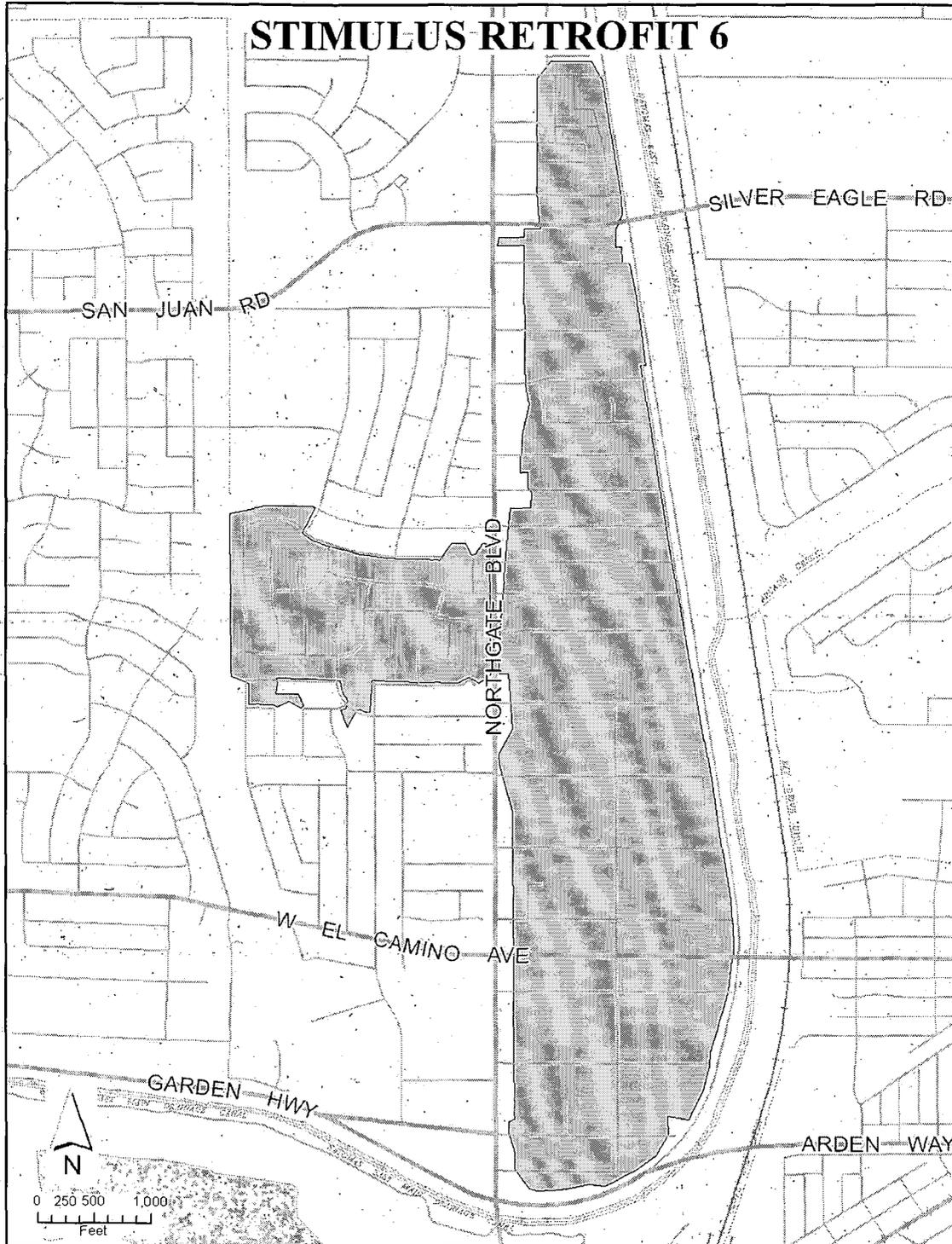
Attachment 5



Attachment 6



Attachment 7



Attachment 8

Background

The American Recovery and Reinvestment Act of 2009 (ARRA) was enacted on February 17, 2009. Within California, the ARRA will provide approximately \$160 million to the Safe Drinking Water State Revolving Fund (SDWSRF) for infrastructure development for California's drinking water systems.

The Federal Safe Drinking Water Act Amendments of 1996 authorized the creation of a drinking water state revolving fund program for public water systems infrastructure needs and other drinking water-related activities. The Safe Drinking Water Program is administered through the California Department of Public Health (CDPH).

From February 1 to 27, 2009, the CDPH held an open pre-application period for the ARRA funding. Over 2,200 pre-applications were received, including five projects submitted by Utilities, with the funds requested exceeding \$6.8 billion. CDPH prioritized projects in accordance with existing SDWSRF procedures, based on health risk, median household income, population, and water system type. From the prioritized list of projects, CDPH identified the projects that were the most ready to proceed to assure compliance with ARRA requirements and to create jobs immediately.

To date, CDPH has issued a "draft" fundable project list including the highest ranking projects. Among the five projects submitted by Utilities, the Water Meter Retrofit Project has been identified on CDPH's draft fundable projects list with proposed ARRA funding of \$20 million (\$10 million grant and \$10 million loan). Though the draft project list has not been approved by CDPH, Utilities is preparing a full application for the Water Meter Retrofit Project.

This report requests authorization to file a Financial Assistance Application with the CDPH.

Attachment 9

RESOLUTION NO.

Adopted by the Sacramento City Council

**AUTHORIZATION TO APPLY FOR SAFE DRINKING WATER STATE REVOLVING
FUND FUNDING WITH THE CALIFORNIA DEPARTMENT OF PUBLIC HEALTH FOR
THE WATER METER RETROFIT PROJECT**

BACKGROUND

- A. The City of Sacramento (City) has the authority to construct, operate, and maintain the City's municipal water supply system.
- B. The City desires to enhance the provision and protection of the treated water supplied to the consumers served by the City's municipal water supply system.
- C. The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on February 17, 2009. Within California, the ARRA will provide funding to the Safe Drinking Water State Revolving Fund (SDWSRF) administered by the California Department of Public Health (CDPH), for infrastructure development for California's drinking water systems.
- D. The City's Water Meter Retrofit Project meets eligibility requirements for financial assistance from the SDWSRF and was included on CDPH's Draft Fundable Projects List based on project priority list ranking, readiness to proceed and "Green" project/components.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Pursuant and subject to all of the terms and provisions of the ARRA and amendments thereto, the City will apply to the State of California Department of Public Health for funding for the City's Water Meter Retrofit Project.
- Section 2. The City Manager is hereby authorized and directed to cause the necessary data to be prepared and application to be signed and filed with the State of California Department of Public Health.

