



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814

www.CityofSacramento.org

Meeting Date: 2/8/2011

Report Type: Consent

Title: Grant Applications: U.S. Bureau of Reclamation FY2011

Report ID: 2011-00094

Location: District 5

Recommendation: Recommendation: Adopt a Resolution 1) authorizing the City Manager to submit two applications for the U.S. Bureau of Reclamation's (USBR's) Watersmart Water and Energy Efficiency Grants FY2011 (Grants) for the Water Meter Retrofit and Follow the Meter Projects, up to the maximum grant amount of \$1 million, and to execute all agreements related to the Grants if the Grants are awarded; 2) authorizing the Director of Utilities and the Director's designees as the City's agent to conduct all negotiations and submit all documents required in connection with the Grant applications and the Grants, if awarded, including applications, payment requests, and documentation of compliance with all requirements applicable to the Grants and completion of the projects funded by the Grants; 3) authorizing the City Manager to establish related revenue and expenditure budgets in the Residential Water Meter Project (Z14010000) and for the grant funds contingent on receipt of Grant awards; and 4) including other provisions required under the applicable USBR guidelines.

Contact: Bill Busath, Interim Eng Manager, 808-1434; Rick Matsuo, Supv Engineer, 808-1728, Department of Utilities

Presenter: None

Department: Department of Utilities

Division: CIP Engineering

Dept ID: 14001321

Attachments:

- 1-Description/Analysis
 - 2 - Background
 - 3 - Location Map
 - 4 - Resolution
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City Attorney Review

Approved as to Form
Joe Robinson
2/2/2011 12:34:41 PM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Janelle Gray
1/27/2011 5:31:51 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 2/1/2011 10:59:49 AM

Assistant City Manager: John Dangberg - 2/2/2011 12:02:56 PM

Description/Analysis

Issue: In December 2010, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) – Watersmart: Water and Energy Efficiency Grants for FY2011, for projects that conserve and use water more efficiently. USBR is looking for cities to leverage their money and resources by cost sharing with USBR.

Staff recommends that the City apply for the USBR's Watersmart: Water and Energy Efficiency Grant for FY2011 to fund the Water Meter Retrofit and Follow the Meter projects, up to the maximum grant amount of \$1,000,000. The Grants would require that the City share 50% of the project costs, or up to \$1,000,000 of local match.

This report requests authorization to submit two applications and execute all necessary agreement(s), and establish related revenue and expenditure budgets in the Residential Water Meter Program (Z14010000) and for the grant funds contingent upon receipt of grant awards.

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. City Council approval is required for the establishment of a grant over \$100,000.

Environmental Considerations: California Environmental Quality Act (CEQA): Actions requested in this staff report relate to funding mechanisms that do not constitute a project as defined by the CEQA [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: 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).

Commission/Committee Action: Not applicable

Rationale for Recommendation: This will allow the City to apply for federal funding under USBR's Water and Energy Efficiency Grants for water meter retrofits in the area shown as Curtis Park - North Oak Park Retrofit. Grant opportunities such as this allow the City to accelerate the Water Meter Program required by state law at a lower cost to the ratepayers. To date the City has utilized a combination of federal grant and low interest loan funding to construct 14 phases of the meter retrofit program, consisting of approximately 20,000 meter installations.

Financial Considerations: No additional funds are requested. USBR has a 50% or dollar-for-dollar, match requirement. Staff will be requesting up to \$1,000,000 total in grant funds, thus a \$1,000,000 grant request requires a match of \$1,000,000 for a maximum total project budget of \$2,000,000 for the two projects. There are sufficient Water Funds (Fund 6005) for the match in the Residential Water Meter Program (Z14010000).

U.S. Bureau of Reclamation FY2011 Grant Applications

Staff recommends that the City Council authorize the City Manager to establish related revenue and expenditure budgets for the grant funds in Z14010000 and upon receipt of award. Staff will return to Council if there is any significant change in requested dollar amounts, either grant or match.

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

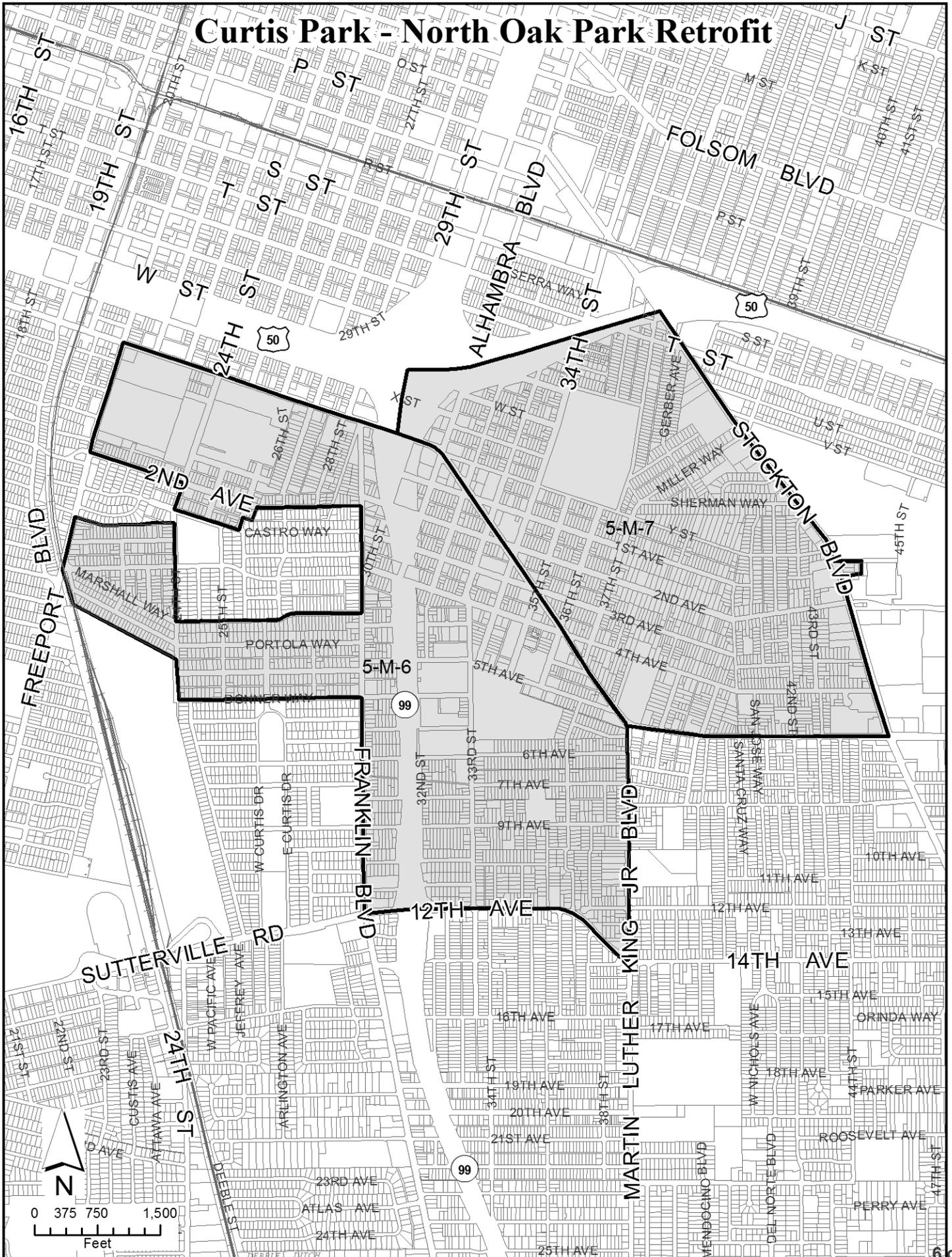
Background

In December 2010, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) for the Watersmart; Water and Energy Efficiency Grants for FY2011 for projects that conserve and use water more efficiently. The mission of the USBR is looking for cities to leverage their money and resources by cost sharing with USBR. Under this FOA, USBR expects to make the majority of awards up to \$300,000 and fewer awards between \$300,001 and \$1 million.

Staff recommends that the City apply for the USBR's Watersmart: Water and Energy Efficiency Grant for FY2011 to fund the water meter retrofit and follow the meter projects, up to the maximum grant amount of \$1,000,000. The grant would require that the City share 50% of the project costs, or up to \$1,000,000 of local match. There are sufficient Water Funds in the Residential Water Meter Program (Z14010000) for the maximum \$1 million grant match.

This report requests authorization to submit two applications, execute all necessary agreement(s), and establish related revenue and expenditure budgets of \$1 million for the grant funds in Z14010000.

Curtis Park - North Oak Park Retrofit



RESOLUTION NO. 2011-

Adopted by the Sacramento City Council

February 8, 2011

**APPROVING U.S. BUREAU OF RECLAMATION FY2011 GRANT APPLICATIONS
(Z14010000)**

BACKGROUND

- A. In December 2010, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) – Watersmart: Water and Energy Efficiency Grants for FY2011, for projects that conserve and use water more efficiently.
- B. The City of Sacramento (City) has the authority to construct, operate, and maintain the City’s municipal water supply system.
- C. The City’s Water Meter Retrofit Project (Z14010000) will promote water conservation and efficient water use and meets eligibility requirements for financial assistance from the USBR.

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

- Section 1. The City Manager is hereby authorized to apply for funding for the Water Meter Retrofit Project and Follow the Meter Project through the USBR’s Watersmart: Water and Energy Efficiency Grants Program, up to the maximum grant amount of \$1 million, and to execute all agreements related to the grants on behalf of the City if the grants are awarded.
- Section 2. The Director of Utilities and the Director’s designees are authorized as the City’s agent to conduct all negotiations and submit all documents required in connection with the grant applications and, if the grants are awarded, the grant agreement, including, but not limited to, applications, payment requests, and documentation of compliance with all requirements applicable to the grants and completion of the projects funded by the grants.
- Section 3. The City Manager is authorized to establish related revenue and expenditure budgets for the grant funds to the Residential Water Meter Project (Z14010000), contingent on receipt of the grant awards.
- Section 4. The City Council has reviewed the purpose of the applications and supports the applications being submitted.

- Section 5. There are sufficient Water Funds (Fund 6005) in the Residential Water Meter Program (Z14010000) for the amount of funding and/or in-kind contributions specified in the funding plan for the grants.
- Section 6. The City will work with the USBR to meet established deadlines for entering into cooperative agreements.