



# City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 1/5/2012

**Report Type:** Consent

**Title:** Grant Application: U.S. Bureau of Reclamation FY2012

**Report ID:** 2012-00018

**Location:** Districts, 2, 5, 6

**Recommendation:** Pass a Resolution: 1) authorizing the City Manager to submit an application for the U.S. Bureau of Reclamation's (USBR's) Watersmart Water and Energy Efficiency Grants FY2012 (Grant) for the Water Meter Retrofit Project, up to the maximum grant amount of \$1.5 million, and to execute all agreements related to the Grant if the Grant is 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 application and the Grant, if awarded, including applications, payment requests, and documentation of compliance with all requirements applicable to the Grant and completion of the project funded by the Grant; 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 award; and 4) including other provisions required under the applicable USBR guidelines.

**Contact:** Bill Busath, Interim Eng Manager, (916) 808-1434; Rick Matsuo, Supv Engineer, (916) 808-1728

**Presenter:** None

**Department:** Department Of Utilities

**Division:** CIP Engineering

**Dept ID:** 14001321

**Attachments:**

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- 1- Description/Analysis
  - 2 - Background
  - 3 - Location map
  - 4 - Resolution

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### City Attorney Review

Approved as to Form  
Joe Robinson  
12/19/2011 5:25:14 PM

### City Treasurer Review

Reviewed for Impact on Cash and Debt  
Janelle Gray  
12/14/2011 4:26:45 PM

### Approvals/Acknowledgements

Department Director or Designee: Dave Brent - 12/15/2011 4:46:39 PM

Eileen Teichert, City Attorney

Shirley Concolino, City Clerk  
John F. Shirey, City Manager

Russell Fehr, City Treasurer



## Description/Analysis

**Issue:** In November 2011, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) – Watersmart: Water and Energy Efficiency Grants for FY2012, 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 Grants for FY2012 to fund the water meter retrofit project, up to the maximum grant amount of \$1,500,000. The grant would require that the City share 50% of the project costs, or up to \$1,500,000 of local match.

This report requests authorization to submit an application 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 award.

**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 on Attachment 3. 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 15 phases of the meter retrofit program, consisting of over 21,000 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 \$1,500,000 total in grant funds, thus a \$1,500,000 grant request requires a match of \$1,500,000 for a total project budget of \$3,000,000 for the project. There are sufficient Water Funds (Fund 6005) for the match in the Residential Water Meter Program (Z14010000).

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 November 2011, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) for the Watersmart; Water and Energy Efficiency Grants for FY2012 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 \$1,500,000.

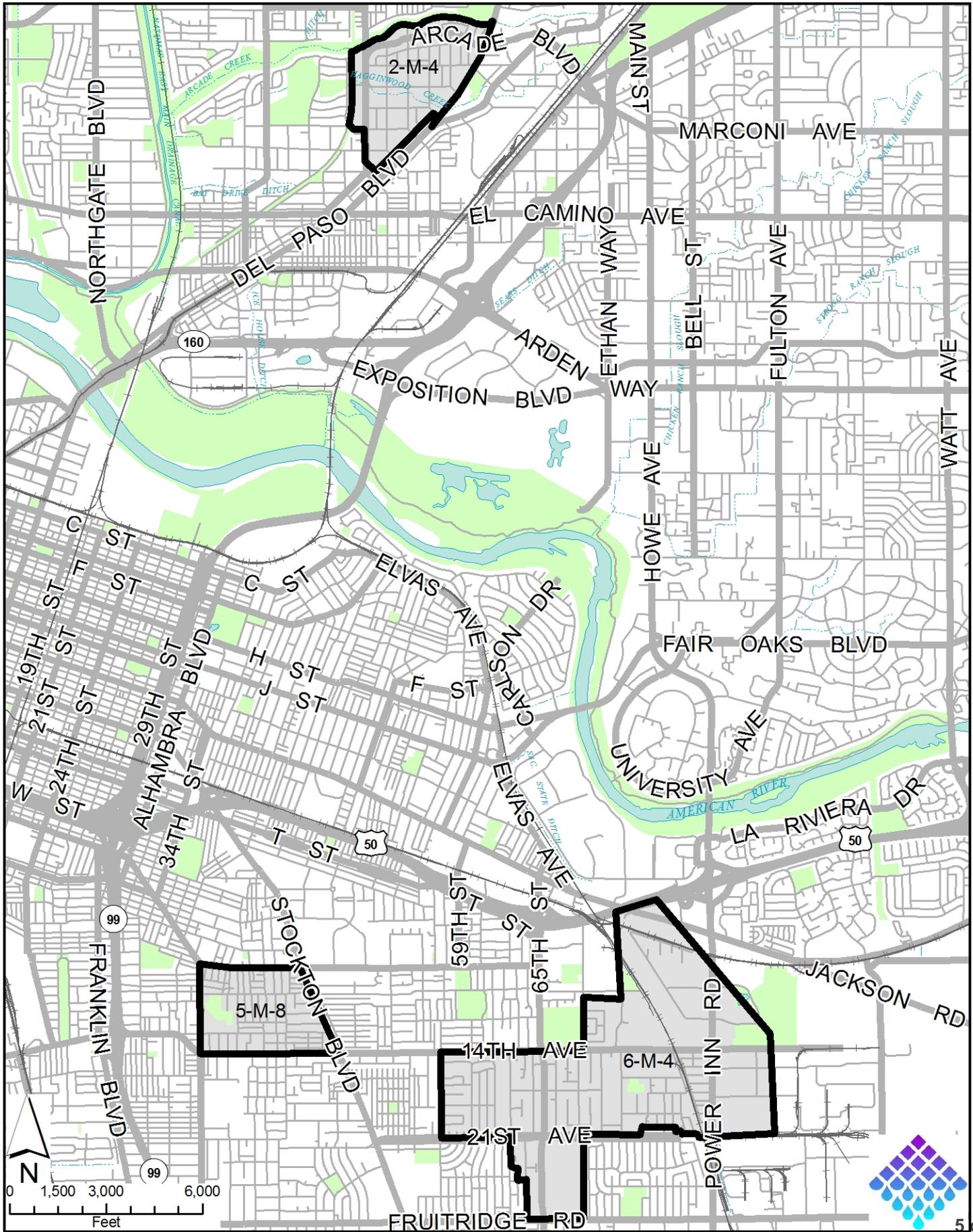
Staff recommends that the City apply for the USBR's Watersmart: Water and Energy Efficiency Grants for FY2012 to fund the water meter retrofit project, up to the maximum grant amount of \$1,500,000. The grant would require that the City share 50% of the project cost, or up to \$1,500,000 of local match. There are sufficient Water Funds in the Residential Water Meter Program (Z14010000) for the \$1,500,000 grant match.

This report requests authorization to submit an application, execute all necessary agreement(s), and establish related revenue and expenditure budgets of \$1,500,000 for the grant funds in Z14010000.



# LOCATION MAP

## Water Meter Retrofit Project





## **RESOLUTION NO. 2012-**

Adopted by the Sacramento City Council

January 5, 2012

### **APPROVING U.S. BUREAU OF RECLAMATION FY2012 GRANT APPLICATION (Z14010000)**

#### **BACKGROUND**

- A. In November 2011, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) – Watersmart: Water and Energy Efficiency Grants for FY2012, 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. The proposed grant funding amount for the water meter retrofit project is \$1,500,000. The grant would require that the City share 50% of the project cost, or up to \$1,500,000 of local match.

#### **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 through USBR’s Watersmart: Water and Energy Efficiency Grants Program, up to the maximum grant amount of \$1,500,000, and to execute all agreements related to the grant on behalf of the City if the grant is 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 application and, if the grant is awarded, the grant agreement, including, but not limited to, applications, payment requests, and documentation of compliance with all requirements applicable to the grant and completion of the project funded by the grant.
- 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 award.

- Section 4. The City Council has reviewed the purpose of the application and supports the application 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 grant.
- Section 6. The City will work with the USBR to meet established deadlines for entering into a cooperative agreement.