



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 2/21/2012

Report Type: Consent

Title: Grant Agreement: Budget Revisions to CALFED (Water Use Efficiency) Sacramento Regional Weather Based Controller Irrigation Efficiency Incentives Project (G14110400)

Report ID: 2012-00078

Location: Citywide

Recommendation: Pass a Resolution authorizing the City Manager or the City Manager's designee to defund the Water Conservation Rebates Project (I14120400), in the amount of \$100,000, to the Water Fund (6005) contingency, and transfer \$100,000 from the Water Fund (6005) contingency to the CALFED Water Use Efficiency (WUE) Sacramento Regional Based Controller Irrigation Efficiency Incentives Project (G14110400) to meet the local match requirement for the Grant Agreement.

Contact: Michael Malone, Field Services Manager, 808-6226; Terrance Davis, Program Manager, 808-4929 - Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Field Services Administration

Dept ID: 14001451

Attachments:

1-Description/Analysis

2-Background

3-Resolution

City Attorney Review

Approved as to Form
 Joe Robinson
 2/15/2012 4:18:54 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
 Russell Fehr
 2/14/2012 6:13:41 PM

Approvals/Acknowledgements

Department Director or Designee: Dave Brent - 2/15/2012 11:30:17 AM

Description/Analysis

Issue: On November 22, 2011, City Council approved the CALFED Controller Incentive Project Agreement with the Regional Water Authority (RWA) for the receipt of federal grant funding, and authorized the transfer of Water Funds (6005) in the amount of \$100,000 to the establishment of the “CALFED Controller Incentive” Project (G14110400), to use these funds for the local match required by the grant. The Department of Utilities requests authorization to revise the funding source of this local match, in the amount of \$100,000, from the Water Fund (6005) operating budget to the Water Conservation Rebates Project (I14120400).

Policy Considerations: This project will improve water conservation efforts and aid the City in meeting its California Urban Water Conservation Council (CUWCC) and Water Forum Agreement (WFA) Best Management Practice (BMP) commitments, as well as promoting the City’s Strategic Plan Goal of achieving sustainability and livability.

Environmental Considerations: California Environmental Quality Act (CEQA): The action requested in this report relates to funding mechanisms that do not constitute a project as defined by the CEQA [CEQA Guidelines Section 15378 (b)(4)].

Sustainability: This project is consistent with the Sustainability Master Plan goals to improve water conservation awareness, as the installation of weather based irrigation controllers will allow customers to save up to 20 percent of their landscape water consumption. The project furthers the City’s progress in implementing the CUWCC and WFA BMP’s, and compliance with recent state legislation requiring the City to achieve at least a 20 percent reduction in per capita water use by the year 2020.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Approval of this request allows for a necessary funding change for the local match consistent with budgets specifically established for water conservation rebates programs.

Financial Considerations: Up to \$100,000 has been dedicated over the next year by RWA to provide reimbursement to the City from the CALFED Water Use Efficiency (WUE) Grant Program administered by the U.S. Bureau of Reclamation for incentives or rebates to provide to the City’s commercial, industrial, institutional, and residential customers. Grant reimbursable expenses will be retroactive for the period beginning September 25, 2009 and will continue through December 31, 2012. Reclamation has a 50 percent match requirement for incentives, thus a \$100,000 grant request requires a match of \$100,000 for a total project budget of \$200,000. An additional \$33,273 of in-kind services will be provided by Water Conservation staff for rebate processing, audits, and monitoring or pre- and post-installation site visits. The in-kind services are existing services provided by staff for similar grant projects and are fully budgeted in the Water Fund (6005/14001441).

Staff recommends that City Council authorize the City Manager to defund the Water Conservation Rebates Project (I14120400) (a multi-year operating project that has seen a reduction in applications) in the amount of \$100,000 to the Water Fund (6005), and transfer \$100,000 from the Water Fund

(6005) to the CALFED Controller Incentive (G14110400), to match the grant award for alternative conservation efforts. The net effect of this action on the Water Fund (6005) is zero.

Emerging Small Business Development (ESBD): No contracts for goods or services are being approved as part of this action.



Background

In July 2001, the City of Sacramento joined the Regional Water Authority (RWA). The RWA's mission is to represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources. The RWA provides assistance to achieve water efficiency on a regional scale by assisting member agencies with meeting Best Management Practice (BMP) commitments and soliciting grant funding for conservation efforts.

On November 22, 2011, City Council approved the CALFED (Water Use Efficiency) Sacramento Regional Weather Based Controller Irrigation Efficiency Incentives Project Agreement, to utilize funding awarded to the RWA by the U.S. Department of Interior, Bureau of Reclamation (Reclamation) for audits and incentives to install irrigation controllers and associated irrigation enhancements to achieve water savings. This collaborative project, with four other water supply agencies in the Sacramento region, will enhance outdoor water use efficiency and save an estimated 470 acre-feet of water over the 10-year expected lifetime of the improvements.

The City Council adopted Resolution 2011-626, which authorized the transfer of Water Funds (6005) to the "CALFED Controller Incentive" Project (G14110400). However, the Department of Utilities (DOU) established the Water Conservation Rebates Project (I14120400) as a multi-year budget mechanism to fund water conservation incentive programs. Therefore, DOU seeks authorization to defund the Water Conservation Rebates Project (I14120400) in the amount of \$100,000 to the Water Fund (6005) contingency, to fund the local match requirement for the grant.



RESOLUTION NO.

Adopted by the Sacramento City Council

BUDGET REVISIONS FOR PROJECT AGREEMENT WITH REGIONAL WATER AUTHORITY FOR THE SACRAMENTO REGIONAL WEATHER BASED CONTROLLER IRRIGATION EFFICIENCY INCENTIVES PROJECT (G14110400)

BACKGROUND

- A. On November 22, 2011, the City Council adopted Resolution 2011-626, to approve a Project Agreement with the Regional Water Authority (RWA) to receive grant funding in the amount of \$100,000 awarded to the RWA by the U.S. Department of the Interior, Bureau of Reclamation, for the CALFED – Water Use Efficiency (WUE) Sacramento Regional Weather Based Controller Irrigation Efficiency Incentives Project.
- B. This Project will offer audits and incentives for weather based irrigation controllers and associated irrigation enhancements for residential, commercial, institutional (schools and parks) and industrial customers with a landscaped area of one-fourth acre or more, and that have been metered for one year.
- C. The approved project agreement with RWA will allow the City to receive up to \$100,000 of the \$294,184 of funding awarded to RWA by Reclamation. This project requires a 50 percent or dollar-for-dollar match, thus a \$100,000 grant request requires a match of \$100,000 for a total project budget of \$200,000. In-kind services of \$33,273 are required for rebate processing, audits and monitoring.
- D. Resolution 2011-626 authorized the City Manager or the City Manager’s designee to establish the “CALFED Controller Incentive” Project (G14110400), and to transfer Water Funds (6005) in the amount of \$100,000 to the “CALFED Controller Incentive” Project (G14110400), to use these funds for the local match required by the grant. Staff has requested authorization to defund the Water Conservation Rebates Project (I14120400) to the Water Fund (6005), in the amount of \$100,000, and transfer \$100,000 to the “CALFED Controller Incentive” Project (G14110400).

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

- Section 1. The City Manager or the City Manager’s designee is authorized to defund the Water Conservation Rebates Project (I14120400), in the amount of \$100,000 to the Water Fund (6005) contingency, and transfer \$100,000

from the Water Fund (6005) contingency to the “CALFED Controller Incentive” Project (G14110400) to meet the local match requirement.