

Meeting Date: 4/28/2015

Report Type: Consent

Report ID: 2015-00340

Title: Grant Funding Application for the United States Bureau of Reclamation (USBR) Bay-Delta Restoration CALFED Water Use Efficiency Program

Location: Citywide

Recommendation: Pass a Resolution authorizing the City Manager, or the City Manager's designee, to apply for a United States Bureau of Reclamation Bay-Delta Restoration Program CALFED Water Use Efficiency Grant for FY2015 to fund the Oak Park Meter Retrofit Project and River Friendly Landscape Program expansion up to the grant amount of \$750,000, and to execute all agreements related to the grant on behalf of the City if the grant is awarded.

Contact: Terrance Davis, Program Manager, (916) 808-1868; Bill Busath, Director, (916) 808-1434, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Water Conservation

Dept ID: 14001381

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Resolution

City Attorney Review

Approved as to Form
Joe Robinson
4/15/2015 8:59:40 AM

Approvals/Acknowledgements

Department Director or Designee: Dan Sherry - 4/9/2015 3:06:01 PM

Description/Analysis

Issue Detail: This report requests approval to apply for a United States Bureau of Reclamation Bay-Delta Restoration CALFED Water Use Efficiency Grant to fund a portion of the accelerated meter installation project and to expand the existing River Friendly Landscape Rebate program, up to the maximum grant amount of \$750,000, and to execute all agreements related to the grant if the grant is awarded.

If awarded, this project would be a continuation of the existing meter retrofits and turf replacement incentive programs currently underway. The proposed combined grant project would install 3,000 residential water meters, including advanced metering infrastructure (AMI), in the Colonial Heights, Elmhurst, and Oak Park neighborhoods of the City of Sacramento, and replace 200,000 square feet of turf with low water using plants to achieve water savings estimated at 365 acre-feet per year or 6,938 acre-feet over the expected lifetime of the improvements.

Policy Considerations: On February 24, 2015, the City Council passed Resolution No. 2015-0056, approving revised implementation guidelines to accelerate water meter installations.

The proposed project under this grant application helps implement meter installation, and is in line with the City Water Conservation Plan adopted by City Council in October 2013, which recommended intensification of metering and irrigation efficiency programs to help achieve the water use reduction mandated by the 2009 Water Conservation Act. Further, the project is in keeping with the goal to ensure the infrastructure for a safe and reliable water supply, is consistent with the City Council focus areas of public safety, economic development, sustainability and livability, and supports water use reduction efforts in response to ongoing drought conditions.

Economic Impacts: N/A.

Environmental Considerations: The Community Development Department, Environmental Planning Services has reviewed the project and has determined the project is exempt from California Environmental Quality Act (CEQA) review under CEQA Guidelines Section 15061(b)(3). The activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In addition, the meter retrofits to be funded by the grant are exempt from CEQA review under CEQA Guidelines Section 15301 (minor alteration of existing utility facilities with no expansion of use) and Section 15302 (replacement or reconstruction of existing utility facilities with no expansion of capacity).

Sustainability: The proposed project is consistent with the City's Sustainability Master Plan goal by enabling DOU to protect sources of water and provide a safe and reliable water supply for the Sacramento region.

Commission/Committee Action: Not applicable

Rationale for Recommendation: During the current unprecedented drought conditions facing the State, the proposed grant project identified in the report forwards the City's water conservation efforts and promotes the ongoing partnerships necessary to manage water resources in a cost effective manner.

Financial Considerations:

The total CALFED grant project budget is \$3,772,279. The maximum potential grant amount is \$750,000, with a 50 percent or greater local match required. Given total construction costs associated with the project, the Department of Utilities has allocated \$3,022,279 in non-federal cost share for the project in the approved Fiscal Year 2015-16 Water Fund capital improvement project budget (Fund 6005, Project #Z14010000).

Local Business Enterprise (LBE): LBE requirements do not apply to the grant application and agreement.

Background

This report requests approval to apply for a United States Bureau of Reclamation (USBR) Bay-Delta Restoration Program, CALFED Water Use Efficiency Grant to provide funding for water meter retrofits and expand the River Friendly Landscape program, and execute all agreements related to the grant if awarded. The maximum grant amount is \$750,000. USBR has a 50 percent local match requirement of \$750,000, and the City would fund additional project costs beyond the match for a total budget of \$3,772,279.

This project will include the installation 3,000 residential water meters, including advanced metering infrastructure (AMI), in the Colonial Heights, Elmhurst, and Oak Park neighborhoods, and replacement of 200,000 square feet of turf with low water using plants to achieve water savings estimated at up to 365 acre-feet per year or 6,938 acre-feet over the expected lifetime of the improvements.

The project is designed to conserve water, improve water use efficiency, reduce energy demands, benefit local aquatic species, and provide USBR with greater flexibility on the use of Folsom Reservoir. The metering portion of the project has been designed and will go to bid in April 2015 with completion by September 2016. The River Friendly Landscaping portion of the project is an ongoing activity and will continue through September 30, 2017.

RESOLUTION NO.

Adopted by the Sacramento City Council

April 28, 2015

GRANT FUNDING APPLICATION FOR THE UNITED STATES BUREAU OF RECLAMATION BAY-DELTA RESTORATION CALFED WATER USE EFFICIENCY PROGRAM

BACKGROUND

- A. In 2015, the City adopted Resolution No. 2015-0056 which accelerated meter retrofit implementation.
- B. In 2013, the City adopted a Water Conservation Plan which includes recommendations to intensify water efficiency irrigation incentives to help achieve water use reduction goals.
- C. To implement the Water Conservation Plan recommendations and as the next step for a medium to long-term water loss reduction strategy, the City's Department of Utilities (DOU) has implemented the River Friendly Landscape Program to promote irrigation efficiency and the replacement of turf with drought tolerant landscapes.
- D. The meter retrofit and River Friendly Landscape Program are eligible for federal grant funding under the United States Bureau of Reclamation (USBR) Bay-Delta Restoration CALFED Water Use Efficiency Program.
- E. City staff is recommending approval of a USBR grant application for a grant amount of \$750,000. USBR has a 50 percent local match requirement of \$750,000 and the City would fund additional project costs beyond the match for a total budget of \$3,772,279. If the grant is awarded, staff will return to Council to request authorization to establish a project and budget.
- F. There are sufficient funds in the Water Fund (Fund 6005, Project #Z14010000) for the City match requirement of \$3,022,279 in non-federal cost share.

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 apply for a United States Bureau of Reclamation Bay-Delta Restoration CALFED Water Use Efficiency Grant to fund the Meter Retrofit and River Friendly Landscape Program expansion, up to the grant amount of \$750,000, and execute all agreements related to the grant on behalf of the City if the grant is awarded.

- Section 2. The City Council has reviewed the purpose of the application and supports the application being submitted.

- Section 3. The Director of Utilities and the Director’s designees are authorized as the City’s agent to prepare the necessary data, conduct investigations, 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 reporting, payment requests, and documentation of compliance with all requirements applicable to the grant and completion of the project funded by the grant.

Adopted by the City of Sacramento City Council on April 28, 2015, by the following vote:

Ayes:

Noes: None

Abstain: None

Absent:

Vacant:

Attest:

Shirley Concolino, City Clerk