

Meeting Date: 2/16/2016

Report Type: Consent

Report ID: 2016-00159

Title: Application for the U.S. Bureau of Reclamation WaterSmart Water and Energy Efficiency Grant for FY2016

Location: District 6

Recommendation: Pass a Resolution 1) authorizing the City Manager or the City Manager's designee to a) apply for a U.S. Bureau of Reclamation 2016 Water Smart Water and Energy Efficiency Grant for the College Glen AMI Equipped Residential Meter Retrofits, up to a grant amount of \$1,000,000, and b) execute the grant agreement if awarded; and 2) authorizing the Director of Utilities and his designees to act as the City's agent in connection with the grant application and agreement.

Contact: Susan Goodison, Business & Integrated Planning Division Manager, (916) 808-8995; Daniel Choe, Supervising Financial Analyst, (916) 808-5988; Michele Gray-Samuel, Program Specialist, (916) 808-6645, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Fiscal Operations

Dept ID: 14001611

Attachments:

1-Description/Analysis

2-Background

3-Resolution

City Attorney Review

Approved as to Form

Joe Robinson

2/9/2016 11:28:33 AM

Approvals/Acknowledgements

Department Director or Designee: Bill Busath - 2/3/2016 12:29:33 PM

Description/Analysis

Issue Detail: Staff requests authorization to apply for a WaterSMART grant for Fiscal Year 2016, to fund a portion of a meter installation project, up to the maximum grant amount of \$1,000,000, and to execute all agreements related to the grant if the grant is awarded. The project proposed for grant funding is the College Glen AMI Equipped Residential Meter Retrofit project (Z14010000).

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: None

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 project is consistent with the City's Sustainability Master Plan goal by enabling the Department of Utilities (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: The proposed project under the WaterSMART grant advances the City's water conservation efforts by providing funding to offset a portion of the Residential Water Metering Program's College Glen AMI Equipped Residential Meter

Retrofit project (Z14010000) currently underway, up to the maximum grant amount of \$1,000,000.

Financial Considerations: The total WaterSMART project budget is \$2,069,256. The grant amount is \$1,000,000, with a 50 percent or greater local match fund required. If awarded, DOU will allocate match funding in an amount of \$1,069,256 in non-federal cost share for the grant project in the Residential Metering Program project (Z14010000), Fund 6005. Sufficient funds are available for the match amount.

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

Background:

Through the WaterSMART Water and Energy Efficiency Grants, the United States Bureau of Reclamation (USBR) provides 50/50 cost share funding to irrigation and water districts, Tribes, States, and other entities with water or power delivery authority. Projects are selected through a competitive process and the focus is on projects that can be completed within 24 months from the project start date that will help sustainable water supplies in the western United States.

In October 2013, City Council adopted the City Water Conservation Plan to help achieve the water use reduction mandated by the 2009 Water Conservation Act. In January 2014, Governor Jerry Brown proclaimed a State of Emergency throughout the State of California due to Drought conditions, which resulted in Executive order B-29-15 imposing water supplies to achieve a 25% reduction on potable urban water usage. 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 is to fund a portion of a meter installation project and help improve water use efficiency, reduce energy demands, benefit local aquatic species, and provide USBR with greater flexibility on the use of Folsom Reservoir.

If awarded, this project would be a continuation of the existing meter retrofits currently underway. The proposed project would install 1,500 residential water meters, including advanced metering infrastructure (AMI), in the College Glen neighborhoods of the City of Sacramento to achieve water savings estimated at 2,400 acre-feet over the expected lifetime of the improvements. In addition, this project will result in better management of 810 acre-feet of water annually.

RESOLUTION NO. 2016-

Adopted by the Sacramento City Council

(February 16, 2016)

GRANT FUNDING APPLICATION FOR THE UNITED STATES BUREAU OF RECLAMATION (USBR) WATERSMART-WATER AND ENERGY EFFICIENCY GRANT FOR FISCAL YEAR 2016

PROGRAM BACKGROUND

- A. The City of Sacramento is proposing to install advanced metering infrastructure (AMI) Equipped Residential Meter Retrofits in the College Glenn Neighborhood. This is projected to result in conservation of valuable water resources; and improve water use, and efficiency.
- B. College Glenn AMI Equipped Residential Meter Retrofits are eligible for U.S. Bureau of Reclamation (USBR) grant funding under the *WaterSMART: Water and Energy Efficiency Grants for FY 2016*.
- C. City staff is recommending approval of a USBR grant application for a grant amount of \$1,000,000.00. USBR has a 50 percent local match requirement. The City of Sacramento will provide a 52 percent match of \$1,069,256 for a total project budget of \$2,069,256. If the grant is awarded, staff will return to Council to request authorization to establish a project and budget.
- D. There are sufficient Water funds in the Residential Water Meter Program (Z14010000) for the City match requirement of \$1,069,256 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 WaterSMART Water and Energy Efficiency Grant for FY 2016 to fund the College Glenn AMI Equipped Residential Meter Retrofits, up to the grant amount of \$1,000,000.00, and 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 prepare the necessary data, conduct investigations, conduct all negotiations, and submit all documents required in connection

with the grant application. If the grant is awarded, the Director of Utilities and the Director's designees are also authorized to prepare and execute 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.

Section 3. The City Council has reviewed the purpose of the application and supports the application being submitted.