



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 3/8/2011

Report Type: Consent

Title: Safe Drinking Water State Revolving Fund American Recovery and Reinvestment Act - Water Meter Retrofit Project Phase 15

Report ID: 2011-00211

Location: District 7

Recommendation: Adopt a Resolution approving the plans and specifications for the Water Meter Retrofit Project Phase 15, in order to comply with Safe Drinking Water State Revolving Fund (SDWSRF) funding requirements.

Contact: Bill Busath, Interim Engineering Manager, (916) 808-1434; Dan Sherry, Supervising Engineer, (916) 808-1419; Department of Utilities

Presenter:

Department: Department of Utilities

Division: CIP Engineering

Dept ID: 14001321

Attachments:

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

City Attorney Review

Approved as to Form
Joe Robinson
3/3/2011 11:05:39 AM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Janelle Gray
2/28/2011 12:38:04 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 3/3/2011 9:00:44 AM

Assistant City Manager: Cassandra Jennings - 3/3/2011 9:12:26 AM

Description/Analysis

Issue: On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) became federal law. On May 26, 2009, the City Council authorized the City Manager to apply to the State of California Department of Public Health (CDPH) for ARRA funding for the Water Meter Retrofit Project. \$20 million in ARRA Safe Drinking Water State Revolving Fund (SDWSRF) funding was obtained, and to date the Department of Utilities has bid and awarded contracts for eleven phases of the Water Meter Retrofit Project utilizing this ARRA funding. Since the existing contracts have not expended all of the ARRA funding, the Department has requested a waiver of the project award date (February 17, 2010) from CDPH, in order to add an additional phase to the Project to fully utilize the ARRA funding. In accordance with the process established in the SDWSRF application guidelines, adding an additional phase for ARRA funding requires the City Council to approve the plans and specifications for such additional phase. This action will allow the City to bid the additional phase as an ARRA-funded project if the City's request for a waiver of the project award date is approved by the CDPH.

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. Furthermore, this project will assist the City in complying with Assembly Bill 2572, which requires the City to install water meters on all existing water service connections by 2025. Using ARRA funding for this project allows the City to comply with this mandate at a lower cost to City rate payers.

Environmental Considerations:

California Environmental Quality Act (CEQA): The Community Development Department, Environmental Planning Services Division, reviewed the Water Meter Retrofit Project and determined that the Project is categorically exempt from CEQA under Section 15303(d) and Section 15304(f) of the CEQA Guidelines. Projects exempt under Section 15303(d) consist of new small utility extensions and street improvements. Projects exempt under Section 15304(f) consist of minor trenching and backfilling where the surface is restored.

Sustainability Considerations: The project is consistent with the Sustainability Master Plan goal to help to improve water conservation awareness, by providing a monthly statement of water usage to the customers. 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).

Rationale for Recommendation: This will allow the Department of Utilities to continue the process for ARRA funding for the Water Meter Retrofit Project, which will install water meters in the area shown in Attachment 2.

Financial Considerations: The total estimated cost for Phase 15, including design, construction, inspection and contingency is \$2,750,000.

If the City's request for a waiver of the project award date is approved by the CDPH, up to \$1.05 million in ARRA funding (\$527,000 grant funds and \$527,000 low interest loan) will be available to fund the Water Meter Retrofit Project Phase 15 (Z14011054). There are sufficient water funds available in the Residential Water Meter (RWM) Master Project (Z1401000) to provide the additional \$1.70 million difference between the total project costs of \$2.75 million and the ARRA funding of \$1.05 million.

If the ARRA funds are not available, the project will go out to bid as a non-ARRA funded contract, as there are sufficient water funds available in the RWM Master Project to award and complete the project. Staff will return to Council with the bid results and contract award and update Council of the financial resources used to fund the project.

Disadvantage Business Enterprise/Minority Business Enterprise/Women Business Enterprise (DBE/MBE/WBE): Contracts for which ARRA funding is provided require compliance with applicable federal DBE/MBE/WBE requirements, instead of the City's Emerging and Small Business Development (ESBD) requirements.

BACKGROUND

The American Recovery and Reinvestment Act of 2009 (ARRA) was enacted on February 17, 2009. Within California, the ARRA will provide \$160 million to the Safe Drinking Water State Revolving Fund (SDWSRF) for infrastructure development for California's drinking water system. The SDWSRF program is administered through the California Department of Public Health (CDPH).

On February 1 to 27, 2009, the CDPH held an initial pre-application period for the ARRA funding. Over 2,200 pre-applications were received, with the total funds requested exceeding \$6.8 billion. CDPH prioritized projects in accordance with the existing SDWSRF procedures, based on health risk, median household income, population, and water system type. From the prioritized list of projects, CDPH identified the projects that were the most ready to proceed to assure compliance with ARRA requirements and to create jobs immediately.

To date, CDPH has approved funding of \$20 million (\$10 million in grant and \$10 million in loan) for the City's Water Meter Retrofit Project Phases 1 through 11.

Utilities bid and awarded eleven phases of the Water Meter Retrofit Project using CDPH ARRA funding. Due to the current favorable bid climate, the total ARRA reimbursable costs for these contracts will not exceed the allotted \$20 million. Therefore, Utilities requested CDPH to waive the contract award date (February 17, 2010) required for the Project in order to allow another phase to be added. This is titled Phase 15, rather than Phase 12, because during the intervening period, the City received additional ARRA grant funding from a different source (the U.S. Bureau of Reclamation) for Phases 12-14 of the Meter Retrofit Project. CDPH staff has indicated to Utilities that the waiver will likely be granted, but formal approval has not yet been obtained.

In accordance with the process established in the SDWSRF application guidelines, adding an additional phase for ARRA funding requires the City Council to first approve the plans and specifications for such additional phase. This action is being recommended to allow the City to bid the additional phase as an ARRA project if the City's request for a waiver of the project award date is approved by the CDPH. If the ARRA funds are not available, the project will go out to bid as a non-ARRA funded contract, as there are sufficient water funds available in the RWM Master Project (Z1401000). Staff will return to Council with the bid results and contract award and update Council of the financial resources used to fund the project.

Location Map



RESOLUTION

Adopted by the Sacramento City Council

APPROVAL OF PLANS AND SPECIFICATIONS FOR THE WATER METER RETROFIT PROJECT PHASE 15

BACKGROUND

- A. The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law on February 17, 2009. Within California, the ARRA is providing funding to the Safe Drinking Water State Revolving Fund (SDWSRF) administered by the California Department of Public Health (CDPH), for infrastructure development for California's drinking water system.
- B. On May 26, 2009, the City Council authorized the City Manager to apply for ARRA funding for the City's Water Meter Retrofit Project, through the SDWSRF program administered by CDPH.
- C. To date, the City's Department of Utilities has bid and awarded contracts for eleven phases of the Water Meter Retrofit Project utilizing SDWSRF ARRA funding, and the City desires to add an additional phase to the Project, identified as Phase 15 of the Water Meter Retrofit Project.
- D. The plans and specifications for the Water Meter Retrofit Project Phase 15 have been prepared and submitted to the CDPH as a part of the SDWSRF funding process. Approval of the plans and specifications is necessary to proceed with the bid process in accordance with SDWSRF requirements.

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

- Section 1. The plans and specifications for the Water Meter Retrofit Project Phase 15, on file in the office of the City Clerk, are hereby approved.