



## City Council Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

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**File ID:** 2019-00263

April 9, 2019

**Consent Item 10**

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**Title:** WaterSMART: Water and Energy Efficiency Grants

**Location:** Citywide

**Recommendation:** Adopt a Resolution authorizing the City Manager or City Manager's designee to: 1) apply for grant funding from the WaterSMART: Water and Energy Efficiency Grants; 2) execute the funding agreement and all documents related to the grant if awarded; and 3) establish the related revenue and expenditure budgets for the grant if awarded.

**Contact:** Roshini Das, Sustainability Program Manager, (916) 808-6270; Dean Fujimoto, Capital Finance and Grant Manager, (916) 808-6645; Bill Busath, Director, (916) 808-1434, Department of Utilities; Sheryl Farinias, Program Specialist (916) 808-4959, Department of Public Works

**Presenter:** None

**Attachments:**

1-Description Analysis

2-Resolution

## Description/Analysis

**Issue Detail:** The Department of Utilities (DOU) is seeking approval to apply for up to \$250,000 in grant funding from the Bureau of Reclamation's (USBR) WaterSMART program for water and energy efficiency grants. The grant funds projects that will result in quantifiable and sustained water savings and support broader water reliability benefits.

DOU is working in partnership with the Department of Public Works' (PW) Streetscapes section to request grant funds to support and implement water efficiency projects for City streetscapes. These grant funds would help the City comply with the Governor's Executive Order B-40-17 to remove ornamental turf on public street medians and allow for planting low-water alternatives to turf and plant climate appropriate trees while helping City reduce its water use. Furthermore, the projects will help the City realize water savings in alignment with the City's Climate Action Plan and water conservation goals.

**Policy Considerations:** The projects support the City's Water Conservation Plan adopted by the City of Sacramento in 2013. Additionally, Council Resolution 2018-0235 requires City Council approval to enter into a grant agreement and appropriate funding when the agreement exceeds \$100,000.

**Economic Impacts:** None

**Environmental Considerations:** The Community Development Department, Environmental Planning Services Division reviewed the proposed action and determined that the activity to apply for grant funds and execute all agreements and documents of compliance related to the grant is not a project pursuant to California Environmental Quality Act (CEQA) Guidelines 15378(b)(4). The activity is the creation of a government funding mechanisms which do not involve any commitment to any specific project that could result in a potentially significant physical impact on the environment and is not subject to CEQA. CEQA Guidelines 15060(c)(3).

**Sustainability:** The grant application is consistent with the City's Climate Action Plan goal U2.1.11, to implement programs that increase water use efficiency and goal U 2.1.16, to promote River Friendly Landscaping techniques which include the use of native and climate appropriate plants; sustainable design and maintenance and underground irrigation.

**Commission/Committee Action:** Not Applicable

**Rationale for Recommendation:** Per Governor's Executive Order B-40-17, the City will be prohibited from irrigating turf on medians and parkways effective January 1, 2025. But the

Executive Order allows the public entity to make changes to the medians by removing turf, planting low-water alternative plants or climate appropriate trees. If awarded, the grants will help the City comply with the Governor's Order in a proactive and timely manner.

**Financial Considerations:** The City could potentially receive up to \$250,000 in grant funding from USBR, with a cost match requirement of \$200,000 and an in-kind match of \$50,000 for a total amount not-to-exceed \$500,000. There are sufficient funds in the Water Conservation Program (I14120400) to meet the City's match requirement of \$200,000. The in-kind match of \$50,000 is for project management and inspections which is included in the Streetscapes operating budget and in the Water Conservation Program MYOP (I14120400).

**Local Business Enterprise (LBE):** Not Applicable

**Background:** The United States (US) Department of Interior's WaterSMART establishes a framework to provide Federal leadership and assistance for using water efficiently, integrating water and energy policies to support the sustainable use of all-natural resources, and coordinating the water conservation activities of various Interior bureaus and offices.

USBR has made three separate WaterSMART Grants funding opportunities available for 2019. Through WaterSMART Water and Energy Efficiency Grants (formerly Challenge Grants) USBR provides 50/50 cost share funding for projects that conserve and use water more efficiently; increase the production of hydropower; mitigate conflict risk in areas at a high risk of future water conflict; and accomplish other benefits that contribute to water supply reliability in the western United States. Projects are selected through a competitive process and the focus is on projects that can be completed within two or three years.

DOU worked in partnership with PW to identify critical needs for Streetscapes improvement projects throughout the City and have prioritized projects in disadvantaged communities for the grant application. The planting and irrigation design for the projects will follow the River Friendly Landscape strategies and techniques to improve the drought resiliency of Streetscapes. The proposed projects are estimated to save the City close to 10,000,000 gallons of water every year.

## **RESOLUTION NO. 2019 –**

Adopted by the Sacramento City Council

**April 9, 2019**

### **GRANT APPLICATION FOR FY2019 WaterSMART: Water and Energy Efficiency Grants**

#### **BACKGROUND**

- A. The United States (US) Department of Interior's WaterSMART establishes a framework to provide Federal leadership and assistance for using water efficiently, integrating water and energy policies to support the sustainable use of all-natural resources, and coordinating the water conservation activities of various Interior bureaus and offices.
- B. The US Bureau of Reclamation (USBR) has made three separate WaterSMART Grants funding opportunities available for 2019. Through WaterSMART Water and Energy Efficiency Grants (formerly Challenge Grants) USBR provides 50/50 cost share funding for projects that conserve and use water more efficiently; increase the production of hydropower; mitigate conflict risk in areas at a high risk of future water conflict; and accomplish other benefits that contribute to water supply reliability in the western United States.
- C. The City's Department of Utilities (DOU) in partnership with the City's Public Works Department (PW) is seeking approval to apply for up to \$250,000 in grant funding from the WaterSMART Water and Energy Efficiency Grant for FY2019 administered by the USBR to support DOU's and PW's Streetscapes River Friendly Landscape Projects. The grant funds will follow the guidelines of the River Friendly Landscape Rebate program to improve water efficiency by converting turfgrass to native and drought tolerant landscapes, upgrading irrigation timers to smart irrigation controllers and converting high volume conventional spray irrigation heads to high efficiency rotating nozzle and drip irrigation systems.
- D. The City could potentially receive up to \$250,000 in grant funding, with a cost match requirement of \$250,000 for a total amount not-to-exceed \$500,000. If awarded, there are sufficient funds in the Water Conservation Program (I14120400) to meet the City match requirement of \$200,000 along with in-kind contribution from Youth, Parks, and Community Enrichment (YPCE) and Streetscapes operating budgets and Water Conservation Program (I14120400) budget in the amount of \$50,000 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, the Director of the Department of Utilities, is authorized to:
- A.            Apply for grant funding through the USBR WaterSMART: Water and Energy Efficiency Grants FY2019;
  - B.            If awarded, sign the funding agreement, prepare the necessary data, and execute all reporting, payment requests, and documentation of compliance applicable to the grant and completion of the project;
  - C.            If awarded, establish revenue and expenditure budgets for the grant award for an amount up to \$250,000 and the City match amount up to \$250,000 in the Water Conservation Program (I14120400).