



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www. CityofSacramento.org

Consent  
May 11, 2010

Honorable Mayor and  
Members of the City Council

**Title: Grant/Agreements: U.S. Bureau of Reclamation FY2010 Grant Application (Z14010000)**

**Location/Council District:** Council District 7

**Recommendation:** Adopt a Resolution: 1) authorizing the City Manager to submit an application for U.S. Bureau of Reclamation's (USBR's) Watersmart Water and Energy Efficiency Grants FY2010 (Grant) for the Water Meter Retrofit Project, and to execute all agreements related to the Grant if the Grant is awarded; 2) authorizing the Director of Utilities and the Director's designees as the City's agent to conduct all negotiations and submit all documents required in connection with the Grant application and the Grant, if awarded, including applications, payment requests, and documentation of compliance with all requirements applicable to the Grant and completion of the project funded by the Grant; 3) authorizing the City Manager to establish related revenue and expenditure budgets for the Grant funds of \$1 million to the Residential Water Meter Project (Z14010000) contingent on receipt of Grant award; and 4) including other provisions required under the applicable USBR guidelines.

**Contact:** David L. Brent, Engineering Manager, 808-1420; Rick Matsuo, Supervising Engineer, 808-1728

**Presenters:** Not applicable

**Department:** Utilities

**Division:** Engineering Services

**Organization No:** 14001311

**Description/Analysis**

**Issue:** On March 16, 2010, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) – Watersmart: Water and Energy Efficiency Grants for FY2010 for projects that conserve and use water more efficiently. USBR is looking for cities to leverage their money and resources by cost sharing with USBR.

Staff recommends that the City apply for the USBR's Watersmart: Water and Energy Efficiency Grant for FY2010 to fund the water meter retrofit project, up to the maximum grant amount of \$1,000,000. The grant would require that the City share 50% of the project costs, or up to \$1,000,000 of local match.

This report requests authorization to submit an application and execute all necessary agreement(s), establish related revenue and expenditure budgets for the grant funds and appropriate the grant funds contingent on receipt of grant award.

**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. City Council approval is also required for the establishment of a grant over \$100,000.

#### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** Actions requested in this staff report relate to funding mechanisms that do not constitute a project as defined by the CEQA [CEQA Guidelines Section 15378 (b)(4)]. Moreover, water meter retrofits are exempt from CEQA under Section 15301(b) and (c) and Section 15303(d) of the CEQA Guidelines. Projects exempt under Section 15301(b) and (c) consist of minor alteration or repair of existing utility facilities and sidewalks. Projects exempt under Section 15303(d) consist of installation and location of new, small utility facilities.

**Sustainability Considerations:** The project is consistent with the Sustainability Master Plan goals to help improve water conservation awareness, as the installation of water meters will allow the City to provide a monthly statement of water usage to the customers, and metered billing will improve water conservation. 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).

**Other:** Not applicable

**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** This will allow the City to apply for federal funding under USBR's Water and Energy Efficiency Grants for water meter retrofits in the area shown on Attachment 2. Grant opportunities such as this allow the City to accelerate the Water Meter Program required by state law at a lower cost to the

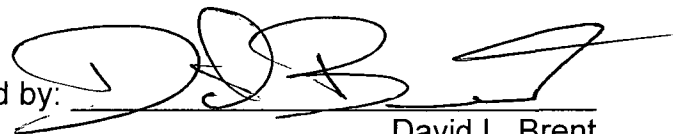
ratepayers.

**Financial Considerations:** No additional funds are requested. USBR has a 50% or dollar-for-dollar, match requirement. Staff will be requesting up to \$1,000,000 total in grant funds, thus a \$1,000,000 grant request requires a match of \$1,000,000 for a total project budget of \$2,000,000 for the project. There are sufficient Water Funds (Fund 6005) for the match in the Residential Water Meter Program (Z14010000).

Staff recommends that the City Council authorize the City Manager to establish related revenue and expenditure budgets for the grant funds in Z14010000 on receipt of award. Staff will return to Council if there is any significant change in requested dollar amounts, either grant or match.

**MBE/WBE and Emerging Small Business Development (ESBD):** MBE/WBE and ESBD considerations do not pertain to this funding application. Contracts for which funding is accepted will require compliance with applicable MBE/WBE and/or ESBD requirements.

Respectfully Submitted by:



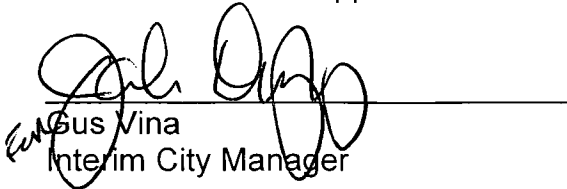
David L. Brent  
Engineering Manager

Approved by:



Marty Hanneman  
Director of Utilities

Recommendation Approved:



Gus Vina  
Interim City Manager

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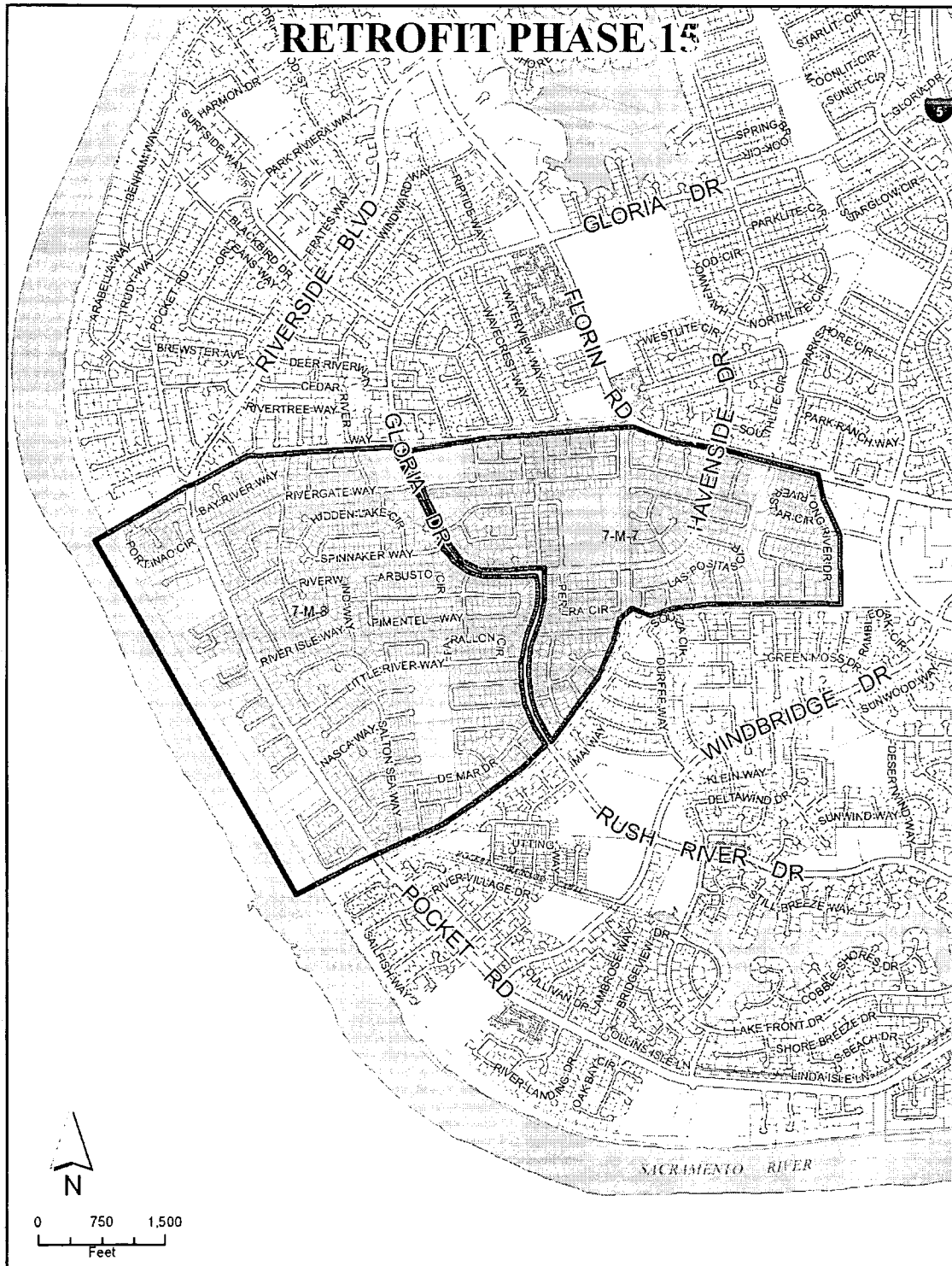
**Attachment 1**

**Background**

On March 16, 2010, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) for the Watersmart; Water and Energy Efficiency Grants for FY2010 for projects that conserve and use water more efficiently. The mission of the USBR is looking for cities to leverage their money and resources by cost sharing with USBR. Under this FOA, USBR expects to make four to eight awards between \$300,001 and \$1 million totaling between \$4 million and \$5 million.

Staff recommends that the City apply for the USBR's Watersmart: Water and Energy Efficiency Grant for FY2010 to fund the water meter retrofit project, up to the maximum grant amount of \$1,000,000. The grant would require that the City share 50% of the project costs, or up to \$1,000,000 of local match. There are sufficient Water Funds in the Residential Water Meter Program (Z14010000) for the \$1 million grant match.

This report requests authorization to submit an application, execute all necessary agreement(s), and establish related revenue and expenditure budgets of \$1 million for the grant funds.



**RESOLUTION NO. 2010-**

Adopted by the Sacramento City Council

May 11, 2010

**APPROVING THE U.S. BUREAU OF RECLAMATION FY2010 GRANT APPLICATION  
(Z14010000)**

**BACKGROUND**

- A. On March 16, 2010, the U.S. Bureau of Reclamation (USBR) released a Funding Opportunity Announcement (FOA) – Watersmart: Water and Energy Efficiency Grants for FY2010 for projects that conserve and use water more efficiently.
- B. The City of Sacramento (City) has the authority to construct, operate, and maintain the City’s municipal water supply system.
- C. The City’s Water Meter Retrofit Project (Z14010000) will promote water conservation and efficient water use and meets eligibility requirements for financial assistance from the USBR.

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

- Section 1. The City Manager is hereby authorized to apply for funding for the Water Meter Retrofit Project through USBR’s Watersmart: Water and Energy Efficiency Grants Program, and to 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 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, applications, 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 Manager is authorized to establish related revenue and expenditure budgets for the grant funds of \$1 million to the Residential Water Meter Project (Z14010000) contingent on receipt of grant award.

- Section 4. The City Council has reviewed the purpose of the application and supports the application being submitted.
- Section 5. There are sufficient Water Funds (Fund 6005) in the Residential Water Meter Program (Z14010000) for the amount of funding and/or in-kind contributions specified in the funding plan for the grant.
- Section 6. The City will work with the USBR to meet established deadlines for entering into a cooperative agreement.