



REPORT TO COUNCIL

City of Sacramento

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www.CityofSacramento.org

Staff
November 3, 2009

Honorable Mayor and
Members of the City Council

Title: American Recovery and Reinvestment Act (ARRA) US Department of Interior
Bureau of Reclamation Water Meter Installation Acceleration Project

Location/Council District: Council Districts 2, 5, and 7

Recommendation: Adopt a **Resolution** 1) authorizing the City Manager or his designee to enter into an agreement with the Regional Water Authority (RWA) and other RWA members for the City's share of a federal grant award for the Regional Water Meter Installation Acceleration Project; 2) approving the plans and specifications for the Water Meter Installation Acceleration Project; and 3) authorizing the City Manager to amend the Water Fund Operating Revenue and Expenditure Budget (Z14010000) to reflect the City's share of the grant award in the amount of \$2.6 million.

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

Presenters: Dave Brent/Rick Matsuo

Department: Utilities

Division: Engineering Services

Organization No: 14001311

Description/Analysis

Issue: With recent enactment of the American Recovery and Reinvestment Act of 2009 (ARRA), the US Bureau of Reclamation (USBR) accepted applications for ARRA funding under the Challenge Grant Program for Water Marketing and Efficiency Grants. Locally, the Regional Water Authority (RWA) coordinated the grant application and Sacramento Suburban Water District (SSWD) applied on behalf of five RWA members: SSWD, Carmichael Water District, El Dorado

Irrigation District and Cities of Sacramento and West Sacramento.

In August, 2009, the USBR selected the five RWA members to receive a total of \$5 million in grant funding under ARRA to enhance water efficiency projects in the Sacramento region. The federal stimulus dollars along with the \$7.5 million of local matching funds will allow water agencies to accelerate the installation of water meters throughout the region. Of the \$5 million in grant funding, the City of Sacramento was awarded \$2.6 million, subject to the requirement for the City to provide matching funding of \$2.6 million.

The Project Agreement between RWA, the City and the other four RWA members will provide for administration of the grant among the five recipient agencies, including the payment of administrative expenses incurred by RWA, SSWD and the USBR.

This USBR grant follows the City's prior receipt of \$20 million in ARRA funding (\$10 million loan/\$10 million grant) from the Safe Drinking Water State Revolving Fund (SDWSRF) Program administered by the California Department of Public Health to fund water meter retrofits. The SDWSRF grant/loan funded project is expected to install 15,000 to 17,000 water meters throughout the city.

The USBR Water Meter Installation Acceleration Project includes the installation of new water meters and transmitters on approximately 3,400 to 5,000 existing residential and commercial water services.

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. 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 within the City of Sacramento by 2025.

Environmental Considerations:

California Environmental Quality Act (CEQA): The Development Services Department, Environmental Planning Services Division, has reviewed the proposed project and has determined that this project is categorically exempt from CEQA (the California Environmental Quality Act) under Class 1, Section number 15301 (b) and (c) and Class 3, Section number 15303(d) of the CEQA Guidelines. Projects exempt under Class 1, Section number 15301(b) and (c) consist of minor alteration or repair of existing utility facilities and sidewalks. Projects exempt under Class 3, Section number 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. Water meter installation also 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: None

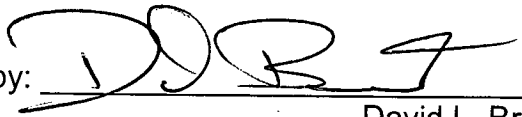
Rationale for Recommendation: This agreement will provide the Department of Utilities with a \$2.6 million matching funds grant from the ARRA stimulus funding administered by the US Bureau of Reclamation that will be used to install water meters in the areas identified as Stimulus Retrofit 12, 13 and 14 on Attachments 1-3.


Accelerating the water meter retrofit program through this grant funding opportunity will allow the City to take advantage of improved water conservation that typically occurs with consumption based meter billing.

Financial Considerations: The ARRA US Bureau of Reclamation funding will provide funds for the Water Meter Installation Acceleration Project (Z14010000) in the amount of \$2.6 million in grant funding. The grant requires a local match of \$2.6 million. There is \$2.6 million in Water funds (Fund 6005) in the Residential Water Meter Project (Z14010000) available for the required local match.

The Water Fund operating budget and Water Meter Retrofit Project Budget (Z14010000) will be amended to reflect the grant funding revenue and expenditure authority.

Disadvantage Business Enterprise/Minority Business Enterprise/Women Business Enterprise (DBE/MBE/WBE): DBE/MBE/WBE considerations do not pertain to this report. Contracts for which funding is accepted will require compliance with DBE/MBE/WBE requirements that apply pursuant to ARRA USBR funding requirements. Under the City Code, these DBE/MBE/WBE requirements will apply in lieu of the City's ESBD provisions.

Respectfully Submitted by: 
David L. Brent
Engineering Manager

Approved by: 
Marty Hanneman
Director of Utilities

Recommendation Approved:


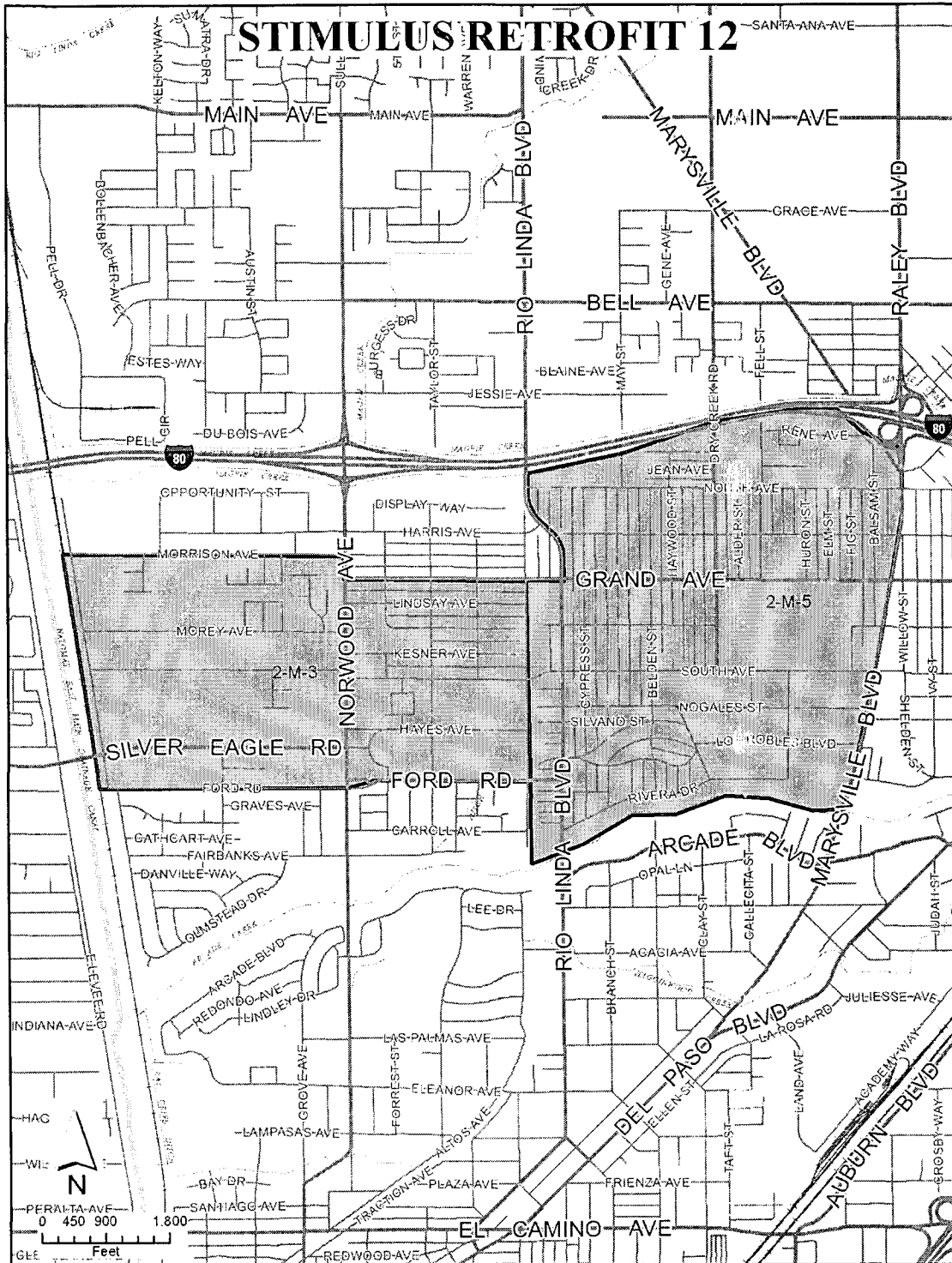

Ray Kerridge
City Manager

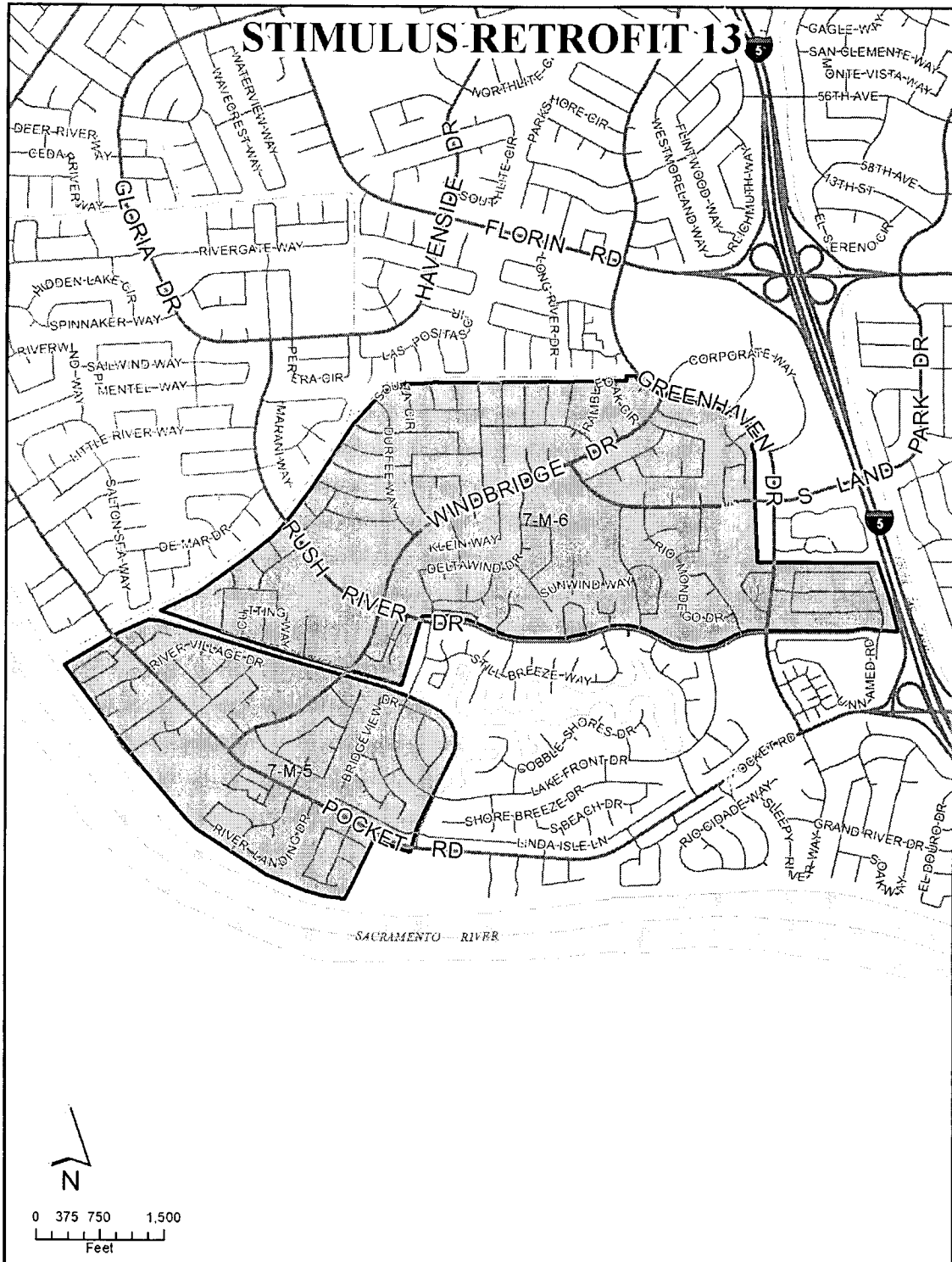
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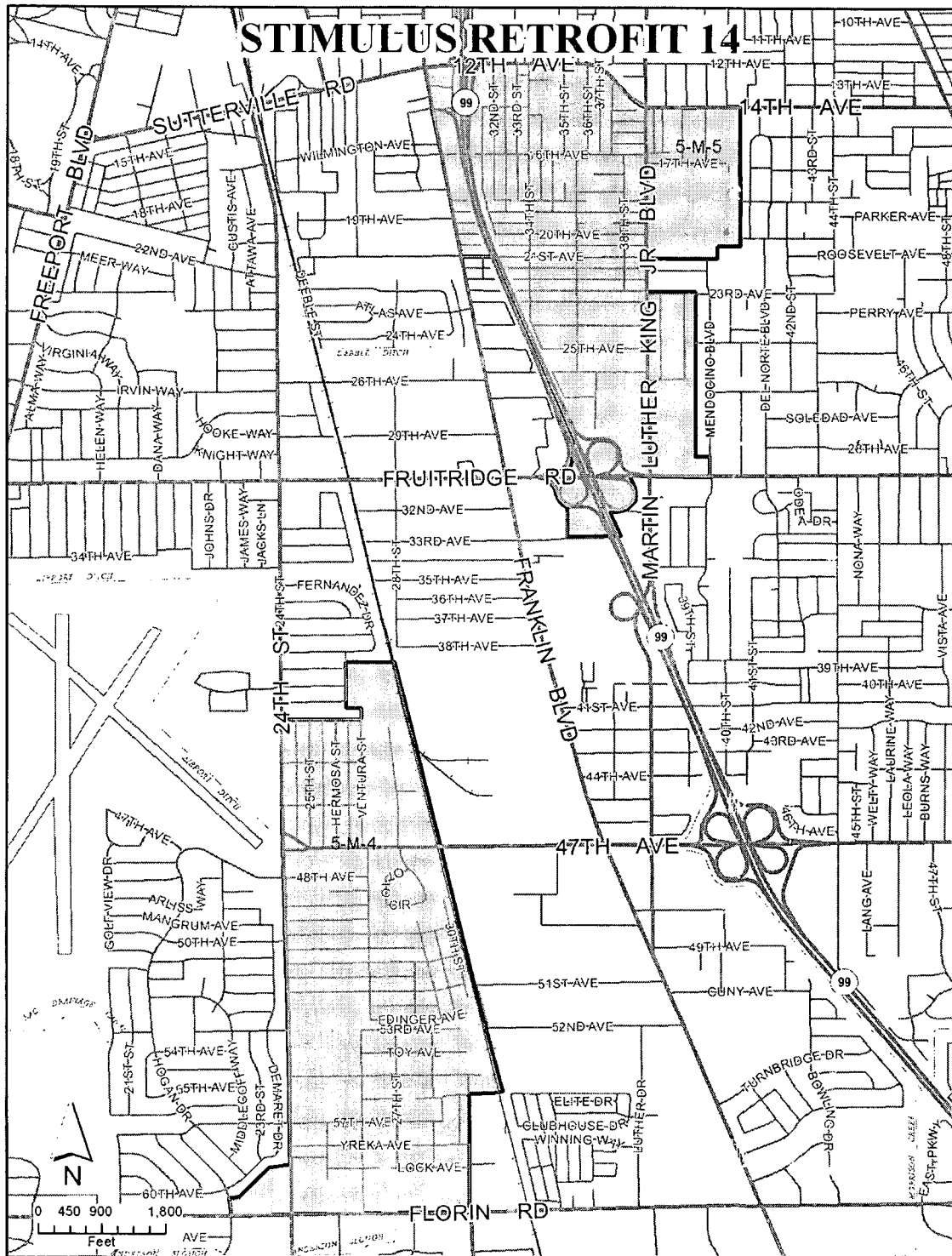
Attachment 1



Attachment 2



Attachment 3



Attachment 4**Background**

With recent enactment of the American Recovery and Reinvestment Act of 2009 (ARRA), the US Bureau of Reclamation accepted applications for ARRA funding under the Challenge Grant Program for Water Marketing and Efficiency Grants. Locally, the Regional Water Authority (RWA) coordinated the grant application and Sacramento Suburban Water District (SSWD) applied on behalf of five RWA members that include SSWD, Carmichael Water District, El Dorado Irrigation District and Cities of Sacramento and West Sacramento. RWA is a joint powers authority formed in 2001 that serves and represents the interests of 22 water providers and affiliated agencies in the greater Sacramento area. The organization's primary mission is to help its members protect and enhance the reliability, availability, affordability and quality of water resources.

In August, 2009, the US Bureau of Reclamation selected the five RWA members to receive a total of \$5 million in grant funding under ARRA to enhance water efficiency projects in the Sacramento region. The federal stimulus dollars along with the \$7.5 million of local matching funds will allow water agencies to accelerate the installation of water meters throughout the region. Of the \$5 million in grant funding, the City of Sacramento was awarded \$2.6 million, subject to the requirement for the City to provide a local match of \$2.6 million. The City has identified \$2.6 million in the Residential Water Meter Project (Z14010000, Fund 6005) as the local match.

The Project Agreement between RWA, the City and the other four RWA member agencies will provide for administration of the grant among the five recipient agencies, including the payment of administrative expenses incurred by RWA, SSWD and the USBR.

This USBR grant follows the City's prior receipt of \$20 million in ARRA funding (\$10 million loan/\$10 million grant) from the Safe Drinking Water State Revolving Fund (SDWSRF) Program administered by the California Department of Public Health to fund water meter retrofits. The SDWSRF grant/loan funded project is expected to install 15,000 to 17,000 water meters throughout the city.

The Water Meter Installation Acceleration Project includes the installation of new water meters and transmitters on approximately 3,400 to 5,000 unmetered existing residential and commercial water services in the areas identified as Stimulus Retrofit 12, 13 and 14 on Attachments 1-3. The meter retrofits included in Stimulus Retrofit 12 were previously authorized for inclusion in the retrofit project being funded by the SDWSRF grant/loan, but the SDWSRF funding was not sufficient to fund this work, which now will be funded through the Water Meter Installation Acceleration Project.

Attachment 5**RESOLUTION NO.**

Adopted by the Sacramento City Council

RESOLUTION AUTHORIZING A PROJECT AGREEMENT WITH THE REGIONAL WATER AUTHORITY (RWA) AND OTHER RWA MEMBERS FOR THE SACRAMENTO REGIONAL WATER METER INSTALLATION ACCELERATION PROJECT, APPROVING THE PLANS AND SPECIFICATIONS FOR THE PROJECT, AND AUTHORIZING AMENDMENT OF THE WATER FUND OPERATING BUDGET (Z14010000) TO REFLECT THE GRANT AWARD OF \$2.6 MILLION

BACKGROUND

- A. The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on February 17, 2009. The US Bureau of Reclamation accepted applications for ARRA funding under the Challenge Grant Program for Water Marketing and Efficiency Grants. Locally, the Regional Water Authority (RWA) coordinated the grant application, and Sacramento Suburban Water District applied for the grant for a Regional Water Meter Installation Acceleration Project on behalf of five RWA members, that include Sacramento Suburban Water District (SSWD), Carmichael Water District, El Dorado Irrigation District and the Cities of Sacramento and West Sacramento.
- B. In August, 2009, the US Bureau of Reclamation selected the five RWA members to receive a total of \$5 million in grant funding under ARRA to enhance water efficiency projects in the Sacramento region. Of the \$5 million in grant funding, the City of Sacramento was awarded \$2.6 million, subject to the requirement for the City to provide matching funds of \$2.6 million.
- C. The Project Agreement between RWA, the City and the other four RWA member agencies will provide for administration of the grant among the five recipient agencies, including the payment of administrative expenses incurred by RWA, SSWD and the USBR.
- D. The City's Water Meter Installation Acceleration Project includes the installation of new water meters and transmitters on approximately 3,400 to 5,000 existing residential and commercial water services.

- E. The project plans and specifications have been prepared and are on file in the Office of the City Clerk.

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

- Section 1. The City Manager or his designee is hereby authorized to execute a Project Agreement with the Regional Water Authority (RWA) and four RWA member agencies for the Sacramento Regional Water Meter Installation Acceleration Project, and any amendments thereto.
- Section 2. The plans and specifications for the Water Meter Installation Acceleration Project are hereby approved.
- Section 3. The City Manager is authorized to amend the Water Fund operating budget and Water Meter Retrofit Project Budget (Z14010000) to reflect the revenue and expenditure authority for the City's share of the grant funding in the amount of \$2.6 million.