



● **Board of Directors**
Water Planning and Stewardship Committee

June 9, 2009 Board Meeting

7-4

Subject

Adopt resolutions to support grant funding applications totaling \$19 million to the Bureau of Reclamation's Challenge Grant Program authorized under the Water Marketing and Efficiency Grants for Recovery Act

Description

Board resolutions are sought to support Metropolitan's \$19 million grant proposals to the Bureau of Reclamation (Reclamation) for its Challenge Grant Program under the Water Marketing and Efficiency Grants for Recovery Act.

Federal funding of up to \$5 million per grant are available through Reclamation's \$40 million Recovery Act funding for projects that will create water markets and make more efficient use of existing water supplies.

Metropolitan submitted six water conservation proposals for funding consideration:

- Attachment 1:** Resolution for \$1 million for Industrial Process Efficiency Program
- Attachment 2:** Resolution for \$1 million for Large Landscape Efficiency Programs
- Attachment 3:** Resolution for \$5 million for Regional Residential and Commercial Water Use Efficiency Devices Incentive Programs
- Attachment 4:** Resolution for \$2 million for Residential Indoor Devices (high efficiency clothes washers and high efficiency toilets)
- Attachment 5:** Resolution for \$5 million for the Public Sector Program
- Attachment 6:** Resolution for \$5 million for Private Sector Recycled Water Hookups

Submittal and implementation of the grant proposals would supplement Metropolitan funding, significantly increase the number of water use efficiency projects and increase water conservation savings.

Reclamation's guidelines require inclusion of board resolutions supporting grant proposals within 30 days of application submittal as a prerequisite for consideration. Staff previously submitted six grant proposals in May 2009. If selected, staff would return to the Board for approval to accept grant funds.

Reclamation is scheduled to announce awards in July 2009 and to execute agreements within three months of announcement. If Metropolitan is awarded any of these proposals, staff may return to the Board with acceptance resolutions and to address matching fund requirements. Any such request would be synchronized with an overall conservation strategy under development for the upcoming years.

Policy

By Minute Item 45208, dated February 11, 2003, the Board approved Metropolitan's policy principles on water use efficiency.

By Minute Item 45784, dated June 8, 2004, the Board authorized changes to Metropolitan's existing industrial process water-use program.

By Minute Item 43225, dated October 13, 1998, the Board approved continuation and expansion of Metropolitan's Large Landscape Conservation Education Program.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA, because it involves continuing administrative activities such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and the six (6) resolutions supporting Metropolitan's proposals for grant funding under Reclamation's Challenge Grant Program Recovery Act of 2009.

Fiscal Impact: Receive up to \$19 million in federal grants over a projected two-year period. Metropolitan's matching funds may come from existing budget, member contributions, or customer payments; if not, additional Metropolitan funds may be needed to accept the grants.

Business Analysis: Achieve lifetime water savings of approximately 82,000 acre-feet; create and implement a pilot program to assess steps to improve service area agricultural water use efficiency. Additional savings may occur.

Option #2

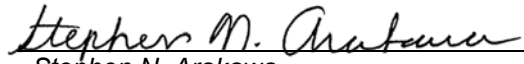
Do not adopt the resolutions supporting grant funding.

Fiscal Impact: None

Business Analysis: Metropolitan may miss opportunities to expand water conservation and achieve increased water use efficiency.

Staff Recommendation

Option #1

 5/18/2009

Stephen N. Arakawa Date
Manager, Water Resource Management

 5/21/2009

Jeffrey Lightlinger Date
General Manager

Attachment 1 – Resolution for \$1 million for Industrial Process Efficiency Program

Attachment 2 – Resolution for \$1 million for Large Landscape Efficiency Programs

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BLA #6703

Resolution supporting USBR Grant Funding Application

RESOLUTION ____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
IN SUPPORT OF ITS PROPOSAL FOR FUNDING
UNDER THE WATER FOR AMERICA CHALLENGE GRANT PROGRAM

FOR

INDUSTRIAL PROCESS EFFICIENCY PROGRAM

WHEREAS, the U.S. Department of the Interior Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the Water Marketing and Efficiency Grants Program for fiscal year 2009/10; and

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Sections 15301 and 15378(b)(4) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the proposal for agricultural water use efficiency measures under the Bureau of Reclamation's Water for America Challenge Grant Program.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held June 9, 2009.

Board Executive Secretary
The Metropolitan Water District
of Southern California

Resolution supporting USBR Grant Funding Application

RESOLUTION ____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
IN SUPPORT OF ITS PROPOSAL FOR FUNDING
UNDER THE WATER FOR AMERICA CHALLENGE GRANT PROGRAM

FOR

LARGE LANDSCAPE EFFICIENCY PROGRAMS

WHEREAS, the U.S. Department of the Interior Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the Water Marketing and Efficiency Grants Program for fiscal year 2009/10; and

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OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
IN SUPPORT OF ITS PROPOSAL FOR FUNDING
UNDER THE WATER FOR AMERICA CHALLENGE GRANT PROGRAM

FOR

REGIONAL RESIDENTIAL AND COMMERCIAL WATER USE EFFICIENCY DEVICES
INCENTIVE PROGRAMS

WHEREAS, the U.S. Department of the Interior Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the Water Marketing and Efficiency Grants Program for fiscal year 2009/10; and

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FOR

RESIDENTIAL INDOOR DEVICES

WHEREAS, the U.S. Department of the Interior Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the Water Marketing and Efficiency Grants Program for fiscal year 2009/10; and

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FOR

PUBLIC SECTOR PROGRAM

WHEREAS, the U.S. Department of the Interior Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the Water Marketing and Efficiency Grants Program for fiscal year 2009/10; and

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UNDER THE WATER FOR AMERICA CHALLENGE GRANT PROGRAM

FOR

PRIVATE SECTOR RECYCLED WATER HOOKUPS

WHEREAS, the U.S. Department of the Interior Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the Water Marketing and Efficiency Grants Program for fiscal year 2009/10; and

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