



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

3/8/2011 Board Meeting

7-4

Subject

Adopt resolution to accept potential funding; and authorize entering into a contract with the Bureau of Reclamation if selected for grant funding under the WaterSMART: Water and Energy Efficiency Grants for FY 2011

Description

This action authorizes Metropolitan to accept any potential grant funding from Metropolitan's \$1 million grant application submitted to the Bureau of Reclamation (Reclamation) for its WaterSMART: Water and Energy Efficiency Grants for FY 2011. In February, Metropolitan submitted an application to implement a turf replacement rebate program that would contribute to water savings, consistent with Integrated Resources Plan approved in October 2010.

Federal funding of up to \$1 million per applicant is available for projects that leverage funding and resources by cost sharing with Reclamation on projects that save water, improve energy efficiency, address endangered species and facilitate transfers to new users. Turf replacement is one of the eligible water conservation projects identified by Reclamation in the WaterSMART Grants for 2011. Turf replacement is a popular and highly visible program with the potential to change landscape practices, and therefore, offers significant water savings potential. Metropolitan currently provides funding for locally administered turf replacement programs, and several member agencies are using this funding for program implementation. Supplemental grant funding would allow increased participation and water savings. Metropolitan must provide at least 50 percent funding up to \$1 million and work must be completed by September 30, 2013. Reclamation is scheduled to announce awards in April 2011 and execute agreements by September 2011.

Reclamation's guidelines require inclusion of board resolutions supporting grant proposals within 30 days of application submittal as a prerequisite for consideration ([Attachment 1](#)). Staff submitted a WaterSMART grant proposal on February 15, 2011. To finalize the application process with Reclamation, the following actions must be taken by Metropolitan's Board:

1. Authorize acceptance of potential grant funding of \$1 million if selected.
2. Delegate authority to the General Manager to execute contracts as necessary, including the Reclamation grant contract.
3. Agree to fulfill the grant contract, including provision of Metropolitan's matching funds of \$1 million.
4. State that Metropolitan, if awarded a grant, will work with Reclamation to meet established deadlines upon entering into a cooperative agreement.
5. Provide a resolution for Reclamation setting forth all of the above.

The Board resolution does not obligate Metropolitan to accept the funding if awarded. Metropolitan still has the option of accepting or denying the funding at its sole discretion. The total cost of the two-year program is estimated at \$2 million, of which \$1 million could be provided by Reclamation under the grant for incentives. Metropolitan would provide \$1 million for incentives to eligible turf replacement projects under its regional conservation rebate programs.

Policy

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

By Minute Item 47705, dated November 18, 2008, the Board authorized the Phase II Public Sector Program, the Turf Removal Pilot Program, and the requirement that ordinances be enacted to participate in extraordinary conservation programs.

By Minute Item 48449, dated October 12, 2010, the Board adopted the 2010 Integrated Water Resources Plan Update.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061 (b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(4) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and the resolution to:

- a. Authorize acceptance of potential grant funding of \$1 million;
- b. Delegate authority to the General Manager to execute necessary contracts if selected, including the Reclamation grant contract;
- c. Agree to fulfill the grant contract, including provision of Metropolitan's matching funds of \$1 million, through existing Metropolitan-funded member agency-administered programs; and
- d. State that Metropolitan, if awarded a grant, will work with Reclamation to meet established deadlines upon entering into a cooperative agreement.

Fiscal Impact: \$1 million Metropolitan cost supplemented with \$1 million federal grant over a two-year period. Metropolitan funding would be included in future fiscal year budgets.

Business Analysis: Achieve lifetime water savings of approximately 2,700 acre-feet; create and implement a Turf Replacement Rebate Program in Metropolitan's service area.

Option #2

Do not adopt the resolution supporting grant funding.

Fiscal Impact: None

Business Analysis: Metropolitan would miss an opportunity to receive grant funding of up to \$1 million to expand water conservation and achieve increased water use efficiency within its service area.

Staff Recommendation

Option #1



Deven N. Upadhyay
Manager, Water Resource Management

2/15/2011
Date



Jeffrey Kightlinger
General Manager

2/23/2011
Date

Attachment 1 – Resolution for Turf Replacement Rebate Program

Ref# wrm12610325

Resolution supporting USBR WaterSMART 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 WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS

FOR

TURF REPLACEMENT REBATE PROGRAM

WHEREAS, the U.S. Department of the Interior Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the WaterSMART: Water and Energy Efficiency Grants for FY 2011; 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 its proposal to implement a California Friendly turf replacement incentive program under the Bureau of Reclamation’s WaterSMART: Water and Energy Efficiency Grants for FY 2011.

BE IT FURTHER RESOLVED that Metropolitan’s Board delegates legal authority to Metropolitan’s General Manager to enter into an agreement with Reclamation for receipt of the requested WaterSMART grant.

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

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will coordinate 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 March 8, 2011.

Board Executive Secretary
The Metropolitan Water District
of Southern California