



- Board of Directors
Engineering and Operations Committee

1/13/2015 Board Meeting

7-4

Subject

Adopt resolutions supporting Metropolitan's application for California Department of Water Resources Water-Energy Grant Program and acceptance of grant funding for the Weymouth and Jensen solar generation plants

Executive Summary

Metropolitan has been invited by the California Department of Water Resources to apply for grant funding from the Water-Energy Grant Program for the planned solar projects at the F. E. Weymouth and Joseph Jensen Water Treatment Plants and for water conservation projects in those plants' service areas. This action authorizes the General Manager to apply for and accept the funding on Metropolitan's behalf.

Details

Background

The 2014 Water-Energy Grant Program was authorized by California Senate Bill 103, Section 11 (2013-2014 Regular Session), to provide grant funds for renewable energy and water efficiency projects. The program is being managed under the Greenhouse Gas (GHG) Reduction Fund by the California Department of Water Resources (DWR). DWR has invited local agencies, joint power authorities, and nonprofit organizations to develop water efficiency and renewable energy programs and projects. To be eligible for funding, a program or project must reduce GHG emissions, water usage, and energy consumption, and must be completed by April 1, 2018. There is no minimum cost-share contribution required to qualify for these grants.

The 2014 Water-Energy Grant Program has an estimated budget of \$19 million. Grants of up to \$5 million per applicant are available. Applicants can submit multiple grant proposals, but no more than \$2.5 million will be awarded for any one proposal. Each grant proposal may include multiple projects in a specified service area.

The Water-Energy Grant requires inclusion of board resolutions supporting the grant proposals ([Attachment 1](#) and [Attachment 2](#)). The board resolutions must document the governing body's support of the application and must be submitted by March 2, 2015. These resolutions would not obligate Metropolitan to accept funding. Following award of a grant, Metropolitan would have the discretion to accept or decline the potential funding.

Solar Power Generation Facilities and Water Conservation Program

In September 2014, Metropolitan's Board authorized final design of solar generation facilities at the Weymouth and Jensen plants. A 3-megawatt (MW) solar facility at the Weymouth plant could generate up to 7.7 million kilowatt-hours (kWh) of clean renewable energy annually, while a 1-MW solar facility at the Jensen plant could generate up to 2.4 million kWh. The addition of these solar facilities will enhance Metropolitan's long-term power use efficiency and hedge against projected increases and volatility in the price of electricity.

In May 2014, Metropolitan's Board authorized changes to its conservation program in response to current drought conditions. These changes included continued funding of the High Efficiency Toilet Rebate Program, which was due to expire on June 30, 2014. Continued funding of rebates for high efficiency toilets supports the implementation of state legislation that only allows high efficiency toilets to be sold after January 1, 2014.

Application for Water-Energy Grant Funding

In December 2014, Metropolitan submitted two Water-Energy Grant applications to DWR:

- (1) A \$2.5-million grant for the 3-MW Weymouth solar facility and the High Efficiency Toilet Rebate Program within the Weymouth service area.

The estimated construction cost for the Weymouth solar facility is anticipated to range from \$12 million to \$14 million. It is estimated that Metropolitan will provide up to \$1 million in rebates for the installation of approximately 10,000 high efficiency toilets in the Weymouth service area during fiscal years 2014/15 and 2015/16.

- (2) A \$2.5-million grant for the 1-MW Jensen solar facility and the High Efficiency Toilet Rebate Program within the Jensen service area.

The estimated construction cost for the Jensen solar facility is anticipated to range from \$4 million to \$5 million. It is estimated that Metropolitan will provide up to \$3 million in rebates for the installation of approximately 30,000 high efficiency toilets in the Jensen service area during fiscal years 2014/15 and 2015/16.

Summary

This action adopts resolutions supporting Metropolitan's application for the 2014 Water-Energy Grant Program, and authorizes the General Manager to accept funding and enter into contract(s) if awarded.

Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

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 which 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 that the action is not defined as a project and is not subject to CEQA, and

- a. Adopt a resolution supporting Metropolitan's application to DWR's 2014 Water-Energy Grant Program for the Weymouth solar facility and the High Efficiency Toilet Rebate program within the Weymouth service area, and authorize the General Manager to accept potential grant funding of up to \$2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel; and
- b. Adopt a resolution supporting Metropolitan's application to DWR's 2014 Water-Energy Grant Program for the Jensen solar facility and the High Efficiency Toilet Rebate program within the Jensen service area, and authorize the General Manager to accept potential grant funding of up to \$2.5 million and to enter into an agreement with DWR in a form approved by the General Counsel.

Fiscal Impact: Up to \$5 million of potential grant funding.

Business Analysis: This option would provide \$5 million in potential funding for the solar power generation projects and for high efficiency toilet rebates.

Option #2

Do not adopt the resolutions.

Fiscal Impact: None.

Business Analysis: This option would forgo an opportunity to receive grant funding.

Staff Recommendation

Option #1

 12/16/2014

Gordon Johnson
Manager/Chief Engineer
Engineering Services
Date

 12/23/2014

Jeffrey Kightlinger
General Manager
Date

**Attachment 1 – Resolution Supporting DWR Water-Energy Grant Funding Application
(WEYMOUTH SOLAR POWER PROJECT AND HIGH EFFICIENCY TOILET
REBATE PROGRAM WITHIN THE WEYMOUTH SERVICE AREA)**

**Attachment 2 – Resolution Supporting DWR Water-Energy Grant Funding Application
(JENSEN SOLAR POWER PROJECT AND HIGH EFFICIENCY TOILET REBATE
PROGRAM WITHIN THE JENSEN SERVICE AREA)**

Resolution Supporting DWR Water-Energy 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-ENERGY GRANT PROGRAM

FOR

WEYMOUTH SOLAR POWER PROJECT AND
HIGH EFFICIENCY TOILET REBATE PROGRAM WITHIN THE WEYMOUTH SERVICE AREA

WHEREAS, the California Department of Water Resources (DWR) is requesting proposals for water use efficiency and renewable energy activities for the Water-Energy Grant for the period July 1, 2014 through April 1, 2018; 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 15378(b)(2) 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 the Weymouth Solar Power Project and the High Efficiency Toilet Rebate Program within the Weymouth Service Area under DWR's Water-Energy Grant; and

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept grant funding of up to \$2.5 million.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with DWR, subject to the approval of the General Counsel, relevant to receipt of the requested Water-Energy Grant.

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 DWR 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 January 13, 2015.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California

Resolution Supporting DWR Water-Energy 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-ENERGY GRANT PROGRAM

FOR

JENSEN SOLAR POWER PROJECT AND
HIGH EFFICIENCY TOILET REBATE PROGRAM WITHIN THE JENSEN SERVICE AREA

WHEREAS, the California Department of Water Resources (DWR) is requesting proposals for water use efficiency and renewable energy activities for the Water-Energy Grant for the period July 1, 2014 through April 1, 2018; 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 15378(b)(2) 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 the Jensen Solar Power Project and High Efficiency Toilet Rebate Program within the Jensen Service Area under DWR's Water-Energy Grant; and

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept grant funding of up to \$2.5 million.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with DWR, subject to the approval of the General Counsel, relevant to receipt of the requested Water-Energy Grant.

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 DWR 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 January 13, 2015.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California