



- Board of Directors
Water Planning and Stewardship Committee

4/9/2019 Board Meeting

7-3

Subject

Adopt resolution to support Metropolitan's application for United States Bureau of Reclamation grant funding of \$1.5 million for Disadvantaged Communities Direct Install Program; authorize the General Manager to accept grant funds, if awarded; and authorize the General Manager to enter into a contract with United States Bureau of Reclamation for the grant funds, if awarded; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

In December 2018, the Board approved an initiative to increase water savings activity in disadvantaged communities. Metropolitan is helping to achieve this goal by providing grant support to member agencies and working in coordination with them to multiply the benefits of budgeted funds with grant funds.

One current opportunity for grant funding is the WaterSMART: Water and Energy Efficiency Grants for FY 2019. This action adopts a resolution supporting an application to the United States Bureau of Reclamation (Reclamation) to support this initiative. See **Attachment 1** for the Resolution. If awarded, this action also authorizes the General Manager to accept up to \$1.5 million in grant funding and enter into a contract with Reclamation for the WaterSMART: Water and Energy Efficiency Grants for FY 2019.

In March 2019, Metropolitan submitted an application requesting \$1.5 million to increase funding for outdoor water efficiency improvements—including both devices and turf replacement—within disadvantaged communities in the Metropolitan service area. If awarded, the nonfederal cost share of \$1.5 million over three years would be provided by Metropolitan from the conservation budget. Project participation would be available to all member agencies.

Timing and Urgency

WaterSMART requires the inclusion of a board resolution supporting grant proposals within 30 days of the application submittal date of March 19, 2019.

Details

Background

Through the WaterSMART: Water and Energy Efficiency Grant Program, Reclamation annually invites states, Indian tribes, water districts, and other organizations to apply for funding assistance. The program targets projects that increase water efficiency, increase hydropower production, mitigate conflict risk in areas at a high risk of future water conflict, and accomplish other benefits that contribute to water supply reliability in the western United States. The grant program has an estimated budget of \$24 million depending on final FY 2019 appropriations. Applicants can submit multiple applications, but no more than \$1.5 million will be awarded to any one applicant. Applicants must provide at least a 50 percent cost share. Projects must be completed within three years of the award.

Metropolitan incentivizes improvements to outdoor water efficiency by offering a variety of rebates for irrigation system devices and conversions from turf to more California friendly landscapes. These incentives are integral components of Metropolitan's efforts to sustain momentum toward achieving the Integrated Resources Plan goals

for urban water conservation. An analysis by staff, however, determined that areas designated as disadvantaged communities participate in incentive programs at a lower rate.

The Disadvantaged Communities Direct Install Program would provide funding for outdoor improvements to homes and multi-family complexes in a manner reasonably expected to assist disadvantaged communities. The program would provide the site owner with a landscape assessment. The assessment could lead to the installation of a menu of options including irrigation controllers, irrigation system improvements and removal/replacement of turf, wherever appropriate. Funding will be provided to Metropolitan's member agencies through the existing Conservation Credits Program via the Member Agency Administered Program funds. If awarded, staff anticipates the grant funding would give member agencies a greater ability to tailor outdoor water efficiency improvements for site owners in disadvantaged communities.

WaterSMART requires the inclusion of a board resolution supporting grant proposals within 30 days of the application submittal date. The Board resolution documents the governing body's support of the application. The Board resolution: acknowledges support of the applications, authorizes the General Manager to accept funding, delegates authority to the General Manager to enter into a contract, recognizes that Metropolitan is capable of providing up to \$1.5 million in matching funds, and commits Metropolitan to work with Reclamation to meet established deadlines. The resolution does not obligate Metropolitan to accept funding. Metropolitan has the discretion to accept or decline potential funding after award.

Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities.

By Minute Item 51426, dated December 11, 2018, the Board approved implementation of the Regional Pilot Program and authorized funding for disadvantaged community projects.

By Minute Item 51166, dated April 10, 2018, the Board authorized funding for the Landscape Transformation Program.

By Minute Item 50883, dated July 11, 2017, the Board adopted revised policy principles for guiding Metropolitan's role in regional implementation of IRP targets for conservation.

By Minute Item 50358, dated January 12, 2016, the Board adopted the 2015 IRP Update.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

By Minute Item 46773, dated August 15, 2006, the Board authorized incentives for rotating nozzle retrofits for pop-up spray heads.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because they involve applying for grants for potential future Metropolitan projects, and 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). Metropolitan, as the Lead Agency, will be responsible for complying with any applicable requirements of CEQA and the State CEQA Guidelines for any future projects for which grant funds are received before approving such projects.

CEQA Determination for Option #2

None required

Board Options

Option #1

1. Adopt the resolution to support Metropolitan's application for United States Bureau of Reclamation grant funding of \$1.5 million for Disadvantaged Communities Direct Install Program;
2. Authorize the General Manager to accept grant funds, if awarded; and
3. Authorize the General Manager to enter into a contract with United States Bureau of Reclamation for the grant funds, if awarded.

Fiscal Impact: Addition of grant funds to existing \$1.5 million of Metropolitan funding would allow for more member agency local projects to be implemented to increase outdoor water efficiency.

Business Analysis: This grant would allow Metropolitan's funding to be used to reach more participants by offering Metropolitan's suite of outdoor incentives to consumers within disadvantaged communities.

Option #2

Do not support or accept grant funding.

Fiscal Impact: None

Business Analysis: Without the grant funds, Metropolitan would reach fewer participants in the conservation program.

Staff Recommendation

Option #1



 Brad Coffey
 Manager, Water Resource Management

3/27/2019

 Date



 Jeffrey Wightlinger
 General Manager

3/28/2019

 Date

Attachment 1 – Resolution supporting Reclamation WaterSMART Grant Funding Application

Ref# wrm12662701

Resolution for the Disadvantaged Communities Direct Install Program

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 THE DISADVANTAGED COMMUNITIES DIRECT INSTALL PROGRAM**

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the WaterSMART: Water and Energy Efficiency Grants for FY 2019; 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 Section 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 Disadvantaged Communities Direct Install Program under Reclamation’s WaterSMART: Water and Energy Efficiency Grants for FY 2019.

BE IT FURTHER RESOLVED that Metropolitan’s Board authorizes Metropolitan’s General Manager to accept grant funding of up to \$1.5 million.

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

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding 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 April 9, 2019.

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