

Agenda Report

October 17, 2022

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: ADOPT RESOLUTIONS TO AUTHORIZE APPLICATIONS FOR WATERSMART GRANTS FROM THE UNITED STATES BUREAU OF RECLAMATION FOR FISCAL YEAR 2023 FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions are not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required;
2. Adopt a Resolution to authorize the City of Pasadena Water and Power Department ("PWP") to apply for a grant from United States Department of the Interior - Bureau of Reclamation ("USBR") in an amount not to exceed \$1,600,000 for a Turf Removal Program;
3. Adopt a Resolution to authorize the City of Pasadena Water and Power Department ("PWP") to apply for a grant from USBR in an amount not to exceed \$5,000,000 for an Advanced Metering Infrastructure ("AMI") Phase 1 Project; and
4. Authorize the City Manager, or their designee, to accept, administer and execute the grant agreements, amendments, and contract documents pursuant to these grants.

BACKGROUND:

The U.S. Department of the Interior's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for Federal assistance to expand existing water supplies and secure new supplies for future generations. Through WaterSMART, USBR leverages Federal and non-Federal funding to work cooperatively with states, Tribes, and local entities to increase water supply sustainability through investments in existing infrastructure and resolution of local water conflicts.

The WaterSMART Water and Energy Efficiency Grants ("WEEG") provide support for projects that result in quantifiable and sustainable water savings, implement renewable energy components where feasible, and support broader sustainability benefits.

On July 28, 2022, PWP submitted two applications to USBR for WEEG funding, to fund 1) a rebate program for turf removal; and 2) a project for automated metering infrastructure. It was necessary to submit the applications prior to obtaining City Council approval due to the short time frame between the call for applications and the July 28, 2022, submission deadline. USBR requires a resolution of the local governing body to accompany the grant submittals.

Turf Removal Rebate Program

PWP has implemented several programs to help customers save water to respond to worsening drought conditions. One of these is a turf removal program for residential customers. The turf removal program incentivizes customers to remove traditional turf and replace it with drought tolerant and native landscapes, efficient irrigation, and rainwater capture features. The program's main objective is to reduce water use, and increase filtration and soil absorption of rainwater. Since 2015, PWP has partnered with the Metropolitan Water District of Southern California ("MWD") to provide a \$2 per square foot rebate for turf replacement and as a result, over one million square feet of traditional landscaping has been removed within PWP's service area.

The grant funds, if awarded, will be used to expand and increase participation in the turf removal program by providing an additional \$1 rebate per square foot of turf removed, to enhance access to landscaping services, and to inform and partner with community stakeholders to host educational workshops. PWP's goal is to reach 1,000 customers over the two year grant period by increasing the rebate amount for turf removal, which would result in approximately 2,000 acre-feet of water savings over 10 years. To further engage residents, PWP will develop an updated Turf Replacement Program Toolkit, which will provide information about the program's benefits, a "how-to" guide for "do-it-yourself" landscaping projects, cost effective designs and supplies, contact information for local landscaping companies obtained through a Request for Qualifications process, and free educational workshops.

AMI Phase 1 Project

The AMI project would consist of the installation of hardware, software, and communication networks to better serve customers with increased meter reading and billing accuracy, early detection of meter failures, improved asset management, and reduced support expenses. The project would assist with increasing water conservation through immediate water leakage detection, which can significantly reduce energy consumption and water waste. This project is part of the City's long-term goal of water supply reliability, efficient water management, and energy savings.

The grant funds if awarded, would fund the installation of approximately 18,000 water meters over three years. The existing meters have reached their useful life expectancy and do not provide the necessary two-way communication and compatible interfaces with modern billing functionality. Based on estimated calculations provided for PWP by

the Water Research Foundation, the Department of Water Resources, and the American Water Works Association, the project could result in estimated water savings of 1,443 acre-feet per year; and associated energy savings of 1,565,655 kilowatt-hours per year; and a total reduced greenhouse gas emissions of 13.8 metric tons.

COUNCIL POLICY CONSIDERATION:

The recommended grant authorizations are consistent with the City Council's Strategic Planning Goals to: maintain fiscal responsibility and stability; and increase conservation and sustainability. The programs are consistent with the 2020 Water System and Resources Plan, with the AMI Phase 1 project supporting the goal to implement new conservation programs to meet future regulations, and the turf removal rebate program supports the goal to reduce outdoor water use by 3,600 Acre-Feet by year 2030.

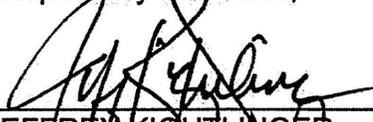
ENVIRONMENTAL ANALYSIS:

The application for and utilization of grant funds to develop a turf removal rebate program, and an AMI Phase 1 Project, is a government fiscal activity that does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

There is no fiscal impact to the recommended action to adopt the resolutions. Funding for these programs will be provided by the utilization of existing and future appropriations and all related contract awards will be presented to the City Council for approval.

Respectfully submitted,



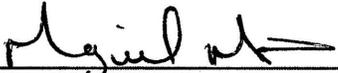
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