



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Water Agency
Department No.: 054
For Agenda Of: 9/16/14
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Water Agency

FROM: Department Scott D. McGolpin, Public Works Director, 568-3010
Director(s)
Contact Info: Thomas D. Fayram, Deputy Public Works Director, 568-3436

SUBJECT: Assistance Agreement with U.S. Bureau of Reclamation for Water Wise Landscape Rebate Program, Supervisorial Districts 1, 2, 3, and 4

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Recommended Actions:

- A. Approve and authorize the County Executive Officer or designee to execute an Assistance Agreement (Agreement No. R14AP00131) with the U.S. Bureau of Reclamation (USBR) for a Water Wise Landscape Rebate Program;
- B. Approve and authorize the County Executive Office or designee to prepare, approve and execute any and all documents (including amendments, modification, extension or variation of terms to the Grant Agreement; progress and financial reports; invoices for expenditures) necessary to receive total funding of up to \$178,724 under USBR's *WaterSMART: Water and Energy Efficiency Grants for FY2014* for this 2-year rebate program; and
- C. Find that the recommended approval and authorization is for the creation of a government funding mechanism and does not constitute a "Project" within the meaning of California Environmental Quality Act (CEQA) 14 CCR 15378 (b) (4) and does not commit the County or other County agencies to any certain project or course of action which would have significant physical impact on the environment.

Summary Text:

The Santa Barbara County Water Agency (SBCWA) has applied for, and is being awarded, a *WaterSMART Water and Energy Efficiency Grant for FY2014* by the United States Bureau of Reclamation (USBR) in the not-to-exceed amount of \$178,724. The SBCWA is acting as lead agency and grant administrator for seven local water purveyors in Santa Barbara County, specifically: Carpinteria Valley Water District, Goleta Water District, Vandenberg Village Community Services District, and the cities of Buellton, Lompoc, Santa Barbara and Solvang. Other water purveyors across the County declined to participate in the grant application. There are no purveyors from the Fifth Supervisorial District participating. The grant funds 50% of the cost of rebates (up to a maximum of \$1,000) that will go to participating water providers' customers who retrofit their gardens and landscaping with more water efficient materials and irrigation systems. The grant funds will go only toward rebates to customers; the grant funds won't subsidize any staffing costs or other program implementation costs.

All retrofits must be pre-approved by the individual participating water provider, and the program requirements will vary somewhat across water providers. Examples of potential actions qualifying for rebates may include: dedicated landscape meters; high efficiency irrigation systems (smart controllers, rotating nozzles, drip irrigation, etc); removal of turf grass; mulch; water wise plants; etc.

The SBCWA's role in coordinating the grant program includes: developing an electronic data tracking system and a standard invoice and payment process; helping with outreach materials and advertising the program; preparing and submitting progress reports and financial reports to USBR. Funds invoiced from USBR by the SBCWA will be passed on to the local purveyors to provide the 50% rebate subsidy. The SBCWA will incur staffing costs for grant program coordination but the SBCWA will not be funding the rebates, which will be funded by USBR and participating water purveyors.

This grant program will ensure more water-efficient landscape design and water-saving technologies in the participating water service areas. Although some local water purveyors have offered similar rebates to their customers, this grant will expand the number of eligible recipients for such rebates, and for the first time certain water providers, notably the cities of Buellton and Solvang, will participate in this kind of program.

The Board's authorization to execute the assistance agreement with USBR will allow the SBCWA to act as the grant recipient and the coordinator of the overall rebate program.

Background:

The SBCWA is the master contractor for USBR's Cachuma Project, which is a primary water supply source for the County. Under the County's agreement with USBR, the SBCWA coordinates a Regional Water Efficiency Program (RWEF), which was established in December 1990 to promote the efficient use of water supplies in the County, and to provide information and assistance to the 18 local water purveyors within the County. The RWEF provides coordination for cooperative efforts among purveyors, acts as a clearinghouse for information on water efficiency, and regularly communicates with water purveyors regarding efficient water use. Many of the RWEF's activities fulfill the SBCWA's obligations to promote Best Management Practices (BMPs) as identified by the statewide California Urban Water Conservation Council and endorsed by USBR. The SBCWA has had numerous grants from Reclamation over the past two decades; each grant enabled SBCWA to improve water efficiency and to build a collaborative regional water efficiency program in the County.

Landscape water efficiency is customer-dependent and based on the type and age of irrigation system, how it is maintained, and the degree of irrigation management used. Water purveyors participating in the SBCWA’s “WaterWise Landscape Rebate Program” will offer rebates to their non-agricultural customers to increase water efficiency. The Rebate Program will provide water savings by reducing outdoor water usage through new technology, water-efficient designs, and conservation actions. Each participating water purveyor will ensure that landscape improvements are made in conformance with program criteria and will measure water usage before and after implementation, thus quantifiably measuring and determining sustained water savings.

Reclamation will fund 50% of customer rebates, matched by the cash from participating water purveyors. Reclamation funds are not based on labor or other in-kind match provided by the participating water purveyors. Reclamation funds will be available on a first-come, first-served basis.

Fiscal and Facilities Impacts:

Budgeted: Yes

<u>Funding Sources</u>	<u>FY 14-15 and 15-16 Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
USBR	\$ 178,724.00		
Water Agency Fees	\$ 80,000.00		
Water Purveyors	\$ 316,036.00		
<u>Fiscal Analysis:</u> Total	\$ 574,760.00	\$ -	\$ -

Narrative:

These Federal grant monies from USBR are unanticipated revenue, and thus they were not included as revenue in the FY 14-15 and 15-16 budgets of the Water Resources Division of the Public Works Department. All revenue (\$178,724) from USBR for this program will be passed on to the participating local water purveyors; thus Water Agency expenditures will include those pass-through monies as well as costs incurred to coordinate the program and to help promote rebates to eligible County residents. The Water Agency’s FY 14-15 and 15-16 budgets did include \$35,000 per year for program promotion costs, totaling \$70,000 for the 2-year grant period. An additional \$10,000 will be incurred by the Water Agency for staffing costs to coordinate this grant and the overall Landscape Rebate Program. A budget revision will follow to accept the unanticipated revenue and allocate the expenditures.

No General Fund monies would be utilized with this project.

Special Instructions:

Direct the Clerk of the Board to send a copy of the minute order for this action to the Water Resources Division office, Attn: Christina Lopez.

Attachments:

Copy of Assistance Agreement (Agreement No. R14AP00131)

Authored by: Leonard Fleckenstein, Public Works Program Specialist Senior, 568-3545