



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: 10/06/09
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Water Agency
FROM: Department Scott McGolpin, Director of Public Works (568-3010)
Directors
Contact Info: Thomas Fayram, Deputy Director, Water Resources (568-3436)
SUBJECT: Approve USBR Assistance Agreement to receive grant funding for Smart Landscaping Rebates Program

County Counsel Concurrence

As to form: N/A

Other Concurrence: No

As to form: N/A

Recommended Actions:

Authorize the Public Works Director or his designee to execute the Assistance Agreement No. R09AP20053 with the U.S. Bureau of Reclamation (USBR) for an amount not to exceed \$165,200.00 and any and all future amendments or subsequent agreements to receive grant funding for a new *Smart Landscaping Rebate Program* to reduce water usage on landscapes of residents and businesses located in participating water districts and cities within Santa Barbara County.

Summary Text:

In partnership with several local water purveyors, the County Water Agency applied for a grant from the U.S. Bureau of Reclamation (USBR), which has now approved the grant application and asked that a County official sign an Assistance Agreement for a *Smart Landscaping Rebate Program*.

The grant funds will provide rebates to property owners (both residential and commercial) who make “smart landscaping” changes to reduce water use on their property. This program expands the geographic scope of a previous pilot program in the City of Santa Barbara and Goleta Water District by adding Carpinteria Valley Water District, City of Lompoc, and Vandenberg Village Community Service District. These five districts and cities will partner with the County Water Agency which will have an overall coordination role for grant implementation and reporting.

Program processes and rebate limits will vary somewhat among the participating water districts and city agencies, but in general rebates may cover up to 50% of the cost of approved irrigation equipment and

landscape materials (but not labor costs) and rebates cannot exceed \$1,000 per site, depending on the geographic area.

Approximately half of the program's costs, and most of the cash rebate dollars, would be funded from the USBR grant, with most of the remaining program costs coming from each local water purveyor, through a combination of staff time, cash rebates, supplies, and equipment. The only cost to the County Water Agency would be staff time to coordinate reports and invoices to USBR.

Background:

The County Water Agency and local water purveyors see a strong need for increased urban water conservation, especially through landscaping projects and programs, in order to manage water wisely in the face of increasing population, continued climate change concerns, and problems of diminished reservoir capacity due to sedimentation.

Based on our experience with a pilot program in the City of Santa Barbara and Goleta Water District in 2008-09, the property owners who are most likely to take advantage of this program are those water accounts which use a relatively large amount of water on their outdoor garden landscapes.

An increasing awareness of lawn alternatives is an important goal for increased water conservation activity in Santa Barbara County. Approximately 50% of urban water is used on landscapes, so increased education on efficient outdoor water use is essential in Santa Barbara County. However, experience among other regions has shown that many property owners won't renovate their landscapes based on information alone. A financial incentive (through a cash rebate) is the best way to encourage people to invest in more water efficient landscaping. This grant program will provide a direct financial incentive through cash rebates to residents who take specific actions to retrofit their landscapes and reduce their water usage.

The pilot program in Goleta and the City of Santa Barbara has paved the way for an expanded program in other districts in the County. Through coordination by the County Water Agency, an expanded program can ensure that participants will share information and learn from one another through an ever-evolving and improving program. Water Purveyors participating in Santa Barbara County's "Smart Landscaping Rebates Program" will offer rebates to their customers (residential, commercial, institutional, or industrial) for up to 50% of the cost of approved irrigation equipment and landscaping materials. Rebates will not exceed \$1,000 per site and will cover only material costs, and not labor costs, as an incentive for customer participation.

Participation in the Smart Landscaping Rebates Program would be on a first-come first-served basis. Property owners' projects must be approved in advance and landscapes for new construction would not be eligible. Sales receipts and/or contractor invoices would be required for all rebates.

The program would cover a portion of the cost of approved irrigation equipment and landscape materials, such as drip irrigation parts, MP Rotator sprinkler nozzles, water-wise plants, mulch, and smart irrigation controllers. Any combination of irrigation equipment and planting materials may qualify up to a one-time, maximum rebate of \$1,000. However, any participating water district may set a lower

limit on rebate amounts and may allow only some of the equipment and/or materials listed above. Rebates will be issued only after installation of equipment and materials.

Participating water purveyors would include: Carpinteria Valley Water District, the City of Santa Barbara, Goleta Water District, the City of Lompoc, and Vandenberg Village Community Services District. These participating districts would provide a local match for USBR’s grant funds, with the local match varying across water districts in the form of staff hours, cash toward rebates, equipment and supplies. The Water Agency’s contribution would be only staff time of approximately 20 - 30 hours annually to coordinate reports and invoices to USBR.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
USBR Grant	\$ 30,000.00		
Fees			
Other:			
Total	\$ 30,000.00	\$ -	\$ -

Narrative:

The Water Agency will act as a pass through agency between the USBR and participating local water purveyors for this grant. The participating local water districts and agencies will issue rebate checks to customers and then will invoice the Water Agency for an amount equal to USBR’s share of the rebate, as indicated in the grant application. The Water Agency will honor all legitimate invoices up to the dollar amounts specified in the grant application during the two year grant period which ends on October 1, 2011. The Water Agency will invoice USBR monthly for reimbursement of funds invoiced by the local water districts and city agencies, with total reimbursement under the grant not to exceed \$165,200.00 in the two year period.

The Water Agency included \$30,000 in revenue from the grant as well as the \$30,000 in expenditures to reimburse the local water purveyors in anticipation of the claims that will be submitted for this current fiscal year. These costs were included in the Adopted 2009-10 budget under the Water Agency cost center of the Water Resources Division of the Public Works Department as shown on page D-344 in the budget book. Since this is a two year program starting in October, staff will include a budget for this program until FY 2011-12.

Special Instructions:

Direct the Clerk of the Board to send a copy of the minute order the Water Agency office, Attn: Christina Lopez.

Attachments:

Copy of USBR Assistance Agreement # R09AP20053

Authored by: Len Fleckenstein, Santa Barbara County Water Agency, x 3545