

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: DEB LANE, SUSTAINABILITY REPRESENTATIVE
SANTA ROSA WATER
SUBJECT: APPROVING A SUSTAINED REDUCTION REBATE FOR AMY'S
KITCHEN AND DELEGATING AUTHORITY TO THE WATER
DIRECTOR FOR THE SUSTAINED REDUCTION REBATE
PROGRAM
AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Water Conservation Subcommittee of the Board and Water Department staff that the Board, by resolution, approve the Sustained Reduction rebate for Amy's Kitchen, authorize the Water Director or designee to approve the rebate, and delegate authority to the Director or designee to approve future Sustained Reduction rebates.

EXECUTIVE SUMMARY

Amy's Kitchen has completed a closed loop chilled water system to treat and reuse their Kitchen Kettle Deck cooling water. Amy's Kitchen has applied to receive a Sustained Reduction rebate in conjunction with the project. Water savings for this upgrade are estimated to reduce the demand of water by approximately 1,000,000 gallons per month which translates into a Sustained Reduction rebate of approximately \$200,000.

To efficiently administer the Sustained Reduction Rebate Program in the future, staff recommends that the Board delegate authority to the Director of Santa Rosa Water or designee to approve and sign Water-Use Efficiency Sustained Reduction Rebate Program Certificate of Participation forms and payments.

BACKGROUND

Santa Rosa Water has a Sustained Reduction Rebate Program that provides rebate money for hardware and/or process changes that result in sustained water savings. These rebates are intended for technologies that are not already captured in the City of Santa Rosa's existing water-use efficiency programs. The Sustained Reduction rebate is based on performance and is currently calculated by multiplying \$200 for every 1,000 gallons of average monthly water savings. The average monthly water savings is

determined by comparing water use before and after the installation of the water-efficient technology or processes. This program is designed to help businesses make water-efficient upgrades at their facilities and remain competitive in the global economy. The Sustained Reduction Rebate Program is very cost-effective at the cost of \$362 per acre foot of water savings, compared to \$918.30 per acre foot of water purchased from Sonoma Water for FY2019/20.

Amy's Kitchen is one of the nation's leading producers of organic and natural frozen foods. One of their primary production facilities is in Santa Rosa. In 2014, Santa Rosa Water provided Amy's Kitchen a comprehensive Water-Use Efficiency Assessment, which included a schematic detailing their Santa Rosa facility's complex water balance and cost-effective, high impact water-use efficiency recommendations. In 2018, Amy's implemented one of the key report recommendations, a closed loop chilled water system to treat and reuse the largest point of consumption in the water balance, the Kitchen Kettle Deck cooling water. Santa Rosa Water has collaborated closely with Amy's Kitchen throughout the process.

Now that the closed loop system is in place and fully functional, Amy's Kitchen has applied for a Sustained Reduction rebate. The rebate amount exceeds the Director's current signature authority (City Code SRCC 3-08.110).

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not applicable.

ANALYSIS

The project at Amy's Kitchen is now complete, and the water savings has remained consistent with the engineered estimates. Water savings estimates for this upgrade were calculated to reduce the demand of water by an estimated 1,000,000 gallons per month or 12,000,000 gallons per year. This is a 21% reduction in water and sewer demand for this site.

Based on the currently monthly savings of 1,000,000 gallons per month, the total rebate amount for this project is anticipated to be \$200,000, to be paid out in two payments during fiscal years 2019/2020 and 2020/2021. The final rebate amount for Amy's Kitchen will be determined by comparing the water use prior to installation to 12 months of water use post installation. Based on the current monthly savings, it is not anticipated to exceed \$200,000.

Sustained Reduction rebates that exceed the Director's signature authority are brought to the Board for approval. Delegating authority to the Director to approve and sign future Sustained Reduction rebates would allow for a timelier processing of rebates and would allow staff to more efficiently administer the Sustained Reduction Rebate Program. Funding for the Sustained Reduction Rebate Program is budgeted for and appropriated

annually as part of the City's annual budget approval. Each rebate application is reviewed and approved subject to available funding.

FISCAL IMPACT

Funding for the total amount of the rebate have been included in the FY19-20 Water Department budget. Funding for the Sustained Reduction Rebate Program is funded by budget appropriations each fiscal year.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On July 9, 2019, the Water Conservation Subcommittee considered this item and recommended that the Board approve the Sustained Reduction rebate for Amy's Kitchen and delegate authority to the Water Director or designee to approve future Sustained Reduction rebates.

ATTACHMENTS

- Resolution

CONTACT

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