

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: STACIE HATFIELD, REVENUE OPERATIONS SUPERVISOR,
SANTA ROSA WATER
SUBJECT: FUNDING AGREEMENT BETWEEN SONOMA COUNTY WATER
AGENCY AND SANTA ROSA WATER TO IMPLEMENT PHASE 2
OF THE DIRECT INSTALL WATER USE EFFICIENCY PROJECT
VIA GRANT FUNDING FROM THE US BUREAU OF
RECLAMATION WATERSMART WATER AND ENERGY
EFFICIENCY GRANTS PROGRAM

AGENDA ACTION: REPORT ITEM

RECOMMENDATION

It is recommended by Santa Rosa Water that Board of Public Utilities, by resolution, approve the sub-awardee grant agreement between Sonoma County Water Agency (Sonoma Water) and the City of Santa Rosa for the Direct Install Water Use Efficiency Project, delegate authority to the Director of Santa Rosa Water to enter into the agreement and execute any future amendments, authorize the designation of existing funds for the cost share required by the grant, and make a recommendation to the City Council of Santa Rosa to authorize receipt of grant funds and appropriate the grant funds into the Water Department budget.

EXECUTIVE SUMMARY

Sonoma County Water Agency (Sonoma Water), acting on behalf of the Sonoma Marin Saving Water Partnership (Partnership), will be administering a \$2,000,000 grant from the United States Bureau of Reclamation (USBR) WaterSMART FY 2023 Water and Energy Efficiency Grants (WEEG) program. As part of the total grant package, Santa Rosa Water is eligible to receive funding in the amount of \$813,933 with a required cost match of \$994,848 to facilitate a second phase of the Direct Install Water Use Efficiency Program Project. The proposed grant-funded project utilizes authorized contractors who will purchase and install high efficiency toilets, showerheads, and sink aerators at residential locations in Santa Rosa Water's service area, at no cost to the customer. High efficiency showerheads, kitchen aerators, and bathroom aerators which are currently free to all Santa Rosa Water customers will also be provided to the contractors for installation at these locations. A requirement to receive the grant funding is for Santa Rosa Water to

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enter into a formal sub-awardee funding agreement with Sonoma Water. Santa Rosa Water staff are recommending that the Board of Public Utilities approve the funding agreement.

BACKGROUND

The WaterSMART FY 2023 WEEG program administered by the United States Bureau of Reclamation (USBR), provides funding for projects that result in quantifiable water savings, implement renewable energy components, and support broader sustainability benefits. These projects conserve and use water more efficiently, increase the production of renewable energy, mitigate conflict risk in areas at a high risk of future water conflicts, and accomplish other benefits that contribute to sustainability in the Western United States.

Santa Rosa Water is part of the Partnership, which consists of 13 water utilities in Sonoma and Marin counties that have joined together to provide regional solutions for water use efficiency. The utilities include the Cities of Santa Rosa, Rohnert Park, Petaluma, Sonoma, Cotati, Cloverdale, and Healdsburg, North Marin and Valley of the Moon Water Districts, Marin Water, Town of Windsor, California American Water – Larkfield District and Sonoma Water (Partners). The Partnership identifies and recommends implementation of water use efficiency projects that maximize the cost-effectiveness of water use efficiency programs in our region.

In July 2022, Sonoma Water, on behalf of the Partnership, applied for \$2,000,000 in grant funds for the Sonoma-Marín Drought Resiliency Program (Program) that will offer consumer rebates for water saving measures for the 13 water utilities in the Partnership collectively addressing regional water efficiency solutions.

On February 16, 2024, USBR and Sonoma Water executed a grant agreement in the amount of \$2,000,000. Sonoma Water will act as the pass-through entity to administer the grant for Participating Agencies.

Santa Rosa Water is slated to receive \$813,933 of funding through this grant. Grant terms require Santa Rosa Water to provide match funding in the amount of \$994,848.

The proposed project will consist of the direct install of a package of approximately 2,500 high efficiency toilets and other water efficiency fixtures at residential locations in our service area. The toilet package will consist of up to two high efficiency toilets, and as needed, high efficiency showerheads, bathroom aerators, and kitchen aerators. The fixtures and installation are provided at no cost to the customer.

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In 2016, a similar direct install program that was grant funded was offered to Santa Rosa Water customers, and approximately 6,000 toilet packages were installed in two years at residential locations within Santa Rosa Water's service area. This project will build on the success of that previous program.

In 2023, a similar direct install program, grant funded from the California Department of Water Resources, was offered to Santa Rosa Water customers, and is anticipated to install approximately 1,700 residential toilets and 200 flush-o-meter style CII (Commercial, Industrial and Institutional) toilets at locations within Santa Rosa Water's service area. Water savings are anticipated to exceed 1,400 acre-feet over the lifespan of the toilets and showerheads, and bathroom and kitchen aerators. The residential installations are complete, and the CII installations are scheduled to be complete in 2025.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

Not applicable.

ANALYSIS

A program of this type, a direct install program, has drawn considerable attention in the past from Santa Rosa Water customers, with over 6,000 toilet packages installed in 2016 and 2017 utilizing grant funding. In late 2022, Santa Rosa Water developed and released an online form for customers to be notified when a prospective program launches. In about one month, Santa Rosa Water received over 180 responses to this form with minimal advertising. If approved, Santa Rosa Water staff would begin a new round of customer outreach to implement another round of direct installs.

If approved, staff would "piggyback" off the ongoing program and fund a second phase of installs for residential customers only. Staff utilized a competitive Request for Qualifications process to certify and obtain the services of qualified plumbing contractors to install the packages in the first phase. Staff also received insurance certifications and clearances from the California Department of Industrial Relations for the approach. The approved contractors were notified that if more funding were to become available, they would be able to continue to work with Santa Rosa Water to institute a second phase of the project. Utilizing this "piggyback" approach will save significant staff time and resources to move the second phase of the project forward expeditiously.

Santa Rosa Water anticipates installing about 2,500 residential toilets at residential locations within Santa Rosa Water's service area. Water savings are anticipated to exceed 2,600 acre-feet over the lifespan of the toilets, showerheads, and bathroom and kitchen aerators.

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FISCAL IMPACT

Funding will be awarded from Sonoma Water to Santa Rosa Water with an additional funding match of \$994,848 required by Santa Rosa Water. The funding match would come from existing Water Department Capital Improvement Funds (1614) with no additional impacts to the operational budget. Staff time is needed to manage the proposed project, but it would be captured within already budgeted staff resources capacity in the Water Resources Division.

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 Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Sub-Award Agreement for Sonoma-Marin Drought Resiliency Program (City of Santa Rosa)
- Resolution

PRESENTER

Stacie Hatfield, Revenue Operations Supervisor