

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JENNIFER BURKE, DIRECTOR, SANTA ROSA WATER
SUBJECT: RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA
ROSA TO APPROPRIATE \$1,500,000 THAT WAS AUTHORIZED
IN THE 2022 STATE OF CALIFORNIA BUDGET ACT FOR THE
IMPLEMENTATION OF SANTA ROSA WATER'S DIRECT
INSTALL WATER USE EFFICIENCY PROJECT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Santa Rosa Water that the Council, by resolution, authorize the Chief Financial Officer to appropriate \$1,500,000 to the Water Enterprise Fund that was authorized under the 2022 State of California Budget Act for the implementation of Santa Rosa Water's Direct Install Water Use Efficiency Project.

EXECUTIVE SUMMARY

The State of California budget for the 2022-23 Fiscal Year included an appropriation of \$1.5 million for Santa Rosa Water (SRW) to launch a Direct Install Water Use Efficiency Project, to install high-efficiency toilets at residential, commercial, industrial and institutional customers sites throughout Santa Rosa. Per a funding agreement entered into by the City of Santa Rosa (City), funding will be disbursed by the State Department of Water Resources. These funds must be appropriated by the Council to the Water Enterprise Fund and Project Key to implement the program. SRW is requesting the Council appropriate the funds and authorize the Chief Financial Officer to appropriate the funds to the Water Enterprise Fund, Project Key Number 55811.

BACKGROUND

In September 2022, SRW learned that the recently chaptered Assembly Bill 179 designated \$1,500,000 in funding to the City of Santa Rosa for the implementation of a Direct Install Water Use Efficiency Project (Project). The funds were appropriated to the California Department of Water Resources (DWR) acting as an agent of the state. In order to receive the funding, SRW was required to enter into a formal funding agreement with DWR. DWR has been delegated the responsibility for the administration of the funding, including establishing the procedures for disbursement of funding. DWR required the

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City's Board of Public Utilities to adopt a resolution approving the conditions of the agreement and authorizing SRW to enter into the funding agreement.

On March 16, 2023, the Board of Public Utilities approved the Funding Agreement between the State of California and City of Santa Rosa. After the funds are disbursed to the City, those funds must be appropriated by the City Council to the designated Water Enterprise Fund Project Key in order for SRW to implement the Project. This appropriation must be done by the City Council in order for the Chief Financial Officer to deposit the funds.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

The appropriation will provide budget for the implementation of the Project, consistent with the funding agreement with the State of California. The Project includes the installation of up to 2,000 high efficiency toilets and associated high efficiency faucet aerators and showerheads, if applicable, at residential, commercial, industrial and institutional customers sites throughout Santa Rosa. There is no cost to the customer.

FISCAL IMPACT

This funding from the State of California requires no funding match by SRW. Staff time is needed to manage the proposed project and is included within the Water Department's approved FY23-24 budget.

Approval of this action does not have a fiscal impact on the General Fund.

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

The Board of Public Utilities Contract Review Sub-committee recommended the Board of Public Utilities authorize SRW to enter into the funding agreement with the State of California on March 13, 2023.

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The Board of Public Utilities, by resolution, authorized SRW to enter into a funding agreement with the State of California on March 16, 2023.

NOTIFICATION

Not applicable

ATTACHMENTS

- Attachment 1 - Funding Agreement
- Resolution

PRESENTER

Claire Nordlie, Water Use Efficiency Coordinator