



- **Board of Directors**  
***One Water and Stewardship Committee***

10/8/2024 Board Meeting

---

7-5

## Subject

---

Authorize resolutions to support two applications selected to receive United States Department of the Interior, Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grants Program funding for Fiscal Year 2024 totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with the United States Department of the Interior, Bureau of Reclamation; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## Executive Summary

---

On February 22, 2024, Metropolitan applied to the U.S. Department of the Interior, Bureau of Reclamation's (Reclamation) fiscal year 2024 (FY24) WaterSMART: Water and Energy Efficiency Grants Program. Metropolitan requested \$2 million to support two regional conservation programs: (1) a total of \$1.75 million was requested to increase funding available for the Residential Direct Install Program for devices, and (2) \$250,000 was requested to expand the reach of a Direct Install Turf Replacement Program for Disadvantaged Communities. On August 5, 2024, Metropolitan was notified the submitted applications are now being considered for award of financial assistance agreements for FY24. In order to proceed in the agreement process, Metropolitan must obtain resolutions from the Board of Directors committing Metropolitan to the financial and legal obligations associated with a financial assistance award. If approved, this action would adopt resolutions (**Attachment 1 and Attachment 2**) supporting Metropolitan's commitment to the financial and legal obligations. This action also authorizes the General Manager to accept up to \$2 million in grant funding and enter into contracts with Reclamation for the WaterSMART: Water and Energy Efficiency Grants Program for FY24. If authorized, Metropolitan would pay the non-federal cost share of \$2 million over three years from the conservation program budget.

## Proposed Action(s)/Recommendation(s) and Options

---

### Staff Recommendation:

#### Option #1

Authorize resolutions to support two applications selected to receive for United States Department of the Interior, Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grant Program funding for FY24 totaling \$2 million; and authorize the General Manager to accept this funding and enter contracts with the United States Department of the Interior, Bureau of Reclamation.

**Fiscal Impact:** The addition of \$2 million in grant funds to existing Metropolitan funding would require Metropolitan to commit to a non-federal cost share of \$2 million. This cost share is budgeted as existing Metropolitan funding in the conservation program budget.

**Business Analysis:** Grant funding will allow Metropolitan to leverage existing Metropolitan funding appropriated for the Residential Direct Install Program and the Direct Install Turf Replacement Program as non-federal cost share to reach more participants in each respective program.

**Option #2**

Do not support or accept grant funding.

**Fiscal Impact:** None

**Business Analysis:** Without the grant funds, Metropolitan would reach fewer participants in the conservation program.

**Alternatives Considered**

---

Not applicable

**Applicable Policy**

---

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter into Contracts

By Minute Item 52582, dated November 8, 2021, the Board authorized the expansion of the Residential Direct Install Program and modifications to the Turf Replacement Program.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles.

**Related Board Action(s)/Future Action(s)**

---

Not applicable

**Summary of Outreach Completed**

---

Not applicable

**California Environmental Quality Act (CEQA)**

---

**CEQA determination for Option #1:**

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (State CEQA Guidelines Section 15378(b)(4)).

**CEQA determination for Option #2:**

None required

**Details and Background**

---

**Background**

Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for federal leadership and assistance to stretch and secure water supplies for future generations in support of the Department's priorities identified in Presidential Executive Order (E.O.) 14008: Tackling the Climate Crisis at Home and Abroad. WaterSMART Water and Energy Efficiency Grants will advance the Biden-Harris Administration's Justice40 Initiative. Established by E.O. 14008, the Justice40 Initiative has made it a goal that 40 percent of the overall benefits of certain federal investments, such as climate, clean energy, and other areas, flow to disadvantaged communities. Water and Energy Efficiency Grants also support the goals of the Interagency Drought Relief Working Group established in March 2021 and the National Drought Resiliency Partnership. Through WaterSMART, Reclamation provides financial assistance to water managers for projects that seek to conserve and use water more efficiently and accomplish other benefits that contribute to resilience and sustainability in the West.

Metropolitan incentivizes improvements to indoor and outdoor water-use efficiency by offering a variety of rebates for indoor and outdoor devices and conversions from turf to more California-friendly landscapes. These

incentives are integral components of Metropolitan's efforts to sustain momentum toward achieving the Integrated Resources Plan goals for urban water conservation. As in recent years, staff identified the WaterSMART: Water and Energy Efficiency Grants Program as a viable opportunity to secure external funding to support our regional water-use efficiency efforts, and on February 22, 2024, Metropolitan submitted two applications for consideration to Reclamation. On August 5, 2024, Metropolitan was notified the submitted applications are now being considered by Reclamation to receive awards under the FY24 WaterSMART: Water and Energy Efficiency Grants Program.

### **Residential Direct Install Program for Devices**

Since 2014, Metropolitan and the Southern California Gas Company (SoCal Gas) have partnered to provide water and energy efficiency programming to income-qualified consumers within Metropolitan's service area and to customers of SoCal Gas. The two parties continue to develop collaborative programming measures through a Memorandum of Understanding that is in effect through December 31, 2024. On November 9, 2021, the Board authorized the expansion of the Residential Direct Install Program in partnership with SoCalGas to provide no-cost direct installations of clean energy and water-saving measures to income-qualified residences. Through the Residential Direct Install Program, eligible consumers receive no-cost energy upgrades funded by SoCal Gas and high-efficiency toilets, showerheads, faucet aerators, and weather-based irrigation controllers through financial support from Metropolitan. This initiative enhances Metropolitan's suite of indoor and outdoor incentives to consumers within underserved communities.

If adopted, Metropolitan would use the \$1.75 million in awarded grant funds to increase Metropolitan's share of program funding to provide direct installation services for more water-efficiency devices in the Residential Direct Install Program with SoCalGas. Reclamation requires awarded applicants to provide at least a 50 percent cost share or dollar-for-dollar match based on total project costs. Staff anticipates \$1.75 million to be expended annually for the direct installation of water-efficiency devices in the Residential Direct Install Program for the current biennial budget. Accepting WaterSMART grant funds will add an additional \$1.75 million, bringing the total program budget to \$3.5 million. This increased budget will allow Metropolitan to provide funding for more installations than previously anticipated at no additional costs to Metropolitan beyond what was already budgeted for in the current biennium.

### **Direct Install Turf Replacement Program**

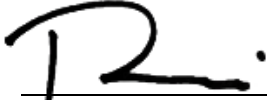
For over 30 years, Metropolitan has invested hundreds of millions of dollars to help Southern Californians improve their outdoor water-use efficiency. Throughout this time, various iterations of turf replacement and device rebate programs have evolved to improve customer access to rebates, enhance incentives, and promote the environmental benefits of landscape transformation beyond water savings. To date, over 220 million square feet of turf in Southern California has been replaced with water-efficient landscaping because of the combined efforts of the Bureau of Reclamation, State of California, Metropolitan, and our local water suppliers.

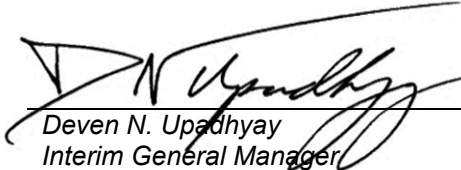
The Water Efficiency Team staff is in the process of developing a Direct Install Turf Replacement Program for Disadvantaged Communities, which will seek to remove the financial barriers imposed by traditional rebate programs by replacing turf with drought-tolerant alternatives at no cost to qualifying participants across Metropolitan's service area. The overall goal of the Project is to expand existing Turf Replacement Program efforts to improve outdoor water-use efficiency and establish resiliency in underserved communities.

Currently, the FY 2024/25 budget allocates \$250,000 for a small-scale Direct Install Turf Replacement Program. If adopted, Metropolitan would use the \$250,000 in awarded grant funds to supplement the Direct Install Turf Replacement Program budget. Reclamation requires awarded applicants to provide at least a 50 percent cost share or dollar-for-dollar match based on total project costs. Accepting WaterSMART grant funds will add an additional \$250,000, bringing the total program budget to \$500,000. This increased budget will allow Metropolitan to provide funding for more turf replacement direct installations than previously anticipated at no additional costs to Metropolitan beyond what was already budgeted for in the current biennium.

### Required Resolutions

The WaterSMART program requires a board resolution supporting the grant proposals prior to the execution of an agreement of a financial assistance award. Each board resolution documents Metropolitan's commitment to the financial and legal obligations associated with accepting a financial assistance award, authorizes the General Manager to accept funding, delegates authority to the General Manager to enter into a contract, recognizes that Metropolitan is capable of providing up to \$2 million in matching funds, and commits Metropolitan to work with Reclamation to meet established deadlines. The resolutions do not obligate Metropolitan to accept funding. Metropolitan has the discretion to accept or decline potential funding prior to an agreement being executed.

  
 \_\_\_\_\_ 9/26/2024  
*Brandon J. Goshi* Date  
*Interim Manager,*  
*Water Resource Management*

  
 \_\_\_\_\_ 9/30/2024  
*Deven N. Upadhyay* Date  
*Interim General Manager*

**Attachment 1 – Resolution XXXX: RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE RESIDENTIAL DIRECT INSTALL PROGRAM FOR DEVICES FOR DISADVANTAGED COMMUNITIES**

**Attachment 2 – Resolution XXXX: RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE DIRECT INSTALL TURF REPLACEMENT PROGRAM FOR DISADVANTAGED COMMUNITIES**

**RESOLUTION XXXX****RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE RESIDENTIAL DIRECT INSTALL PROGRAM FOR DEVICES FOR DISADVANTAGED COMMUNITIES**

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the WaterSMART: Water and Energy Efficiency Grants for FY 2024; and

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Sections 15378 (b)(4) and 15061 (b)(3) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the proposal for the Residential Direct Install Program for Disadvantaged Communities under Reclamation's WaterSMART: Water and Energy Efficiency Grants for FY 2024.

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept grant funding of up to \$1,750,000.00.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with Reclamation, subject to the approval of the General Counsel, relevant to receipt of the requested WaterSMART grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held (Enter Board Meeting Date).

---

Secretary of the Board of Directors  
of The Metropolitan Water District  
of Southern California

**RESOLUTION XXXX****RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR THE DIRECT INSTALL TURF REPLACEMENT PROGRAM FOR DISADVANTAGED COMMUNITIES**

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals for water use efficiency activities from the WaterSMART: Water and Energy Efficiency Grants for FY 2024; and

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Sections 15378 (b)(4) and 15061 (b)(3) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the proposal for the Direct Install Turf Replacement Program for Disadvantaged Communities under Reclamation's WaterSMART: Water and Energy Efficiency Grants for FY 2024.

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept grant funding of up to \$250,000.00.

BE IT FURTHER RESOLVED that Metropolitan's Board delegates legal authority to Metropolitan's General Manager to enter into an agreement with Reclamation, subject to the approval of the General Counsel, relevant to receipt of the requested WaterSMART grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held (Enter Board Meeting Date).

---

Secretary of the Board of Directors  
of The Metropolitan Water District  
of Southern California