



• **Board of Directors**
Water Planning and Stewardship Committee

11/9/2021 Board Meeting

7-11

Subject

Adopt resolution to support Metropolitan's application for the United States Bureau of Reclamation's Water and Energy Efficiency FY 2022 Grant Program of \$2 million to supplement funding for public agency landscapes within the Turf Replacement Program; authorize the General Manager to accept grant funds, if awarded; and authorize the General Manager to enter into a contract with United States Bureau of Reclamation for the grant funds, if awarded; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

In April 2018, the Board authorized funding for the Turf Replacement Program to increase outdoor water savings activity. As Metropolitan prepares to mitigate challenges imposed by the current severe drought, staff is mobilizing to boost local conservation efforts and identify alternative funding sources to enhance programming.

One current opportunity for grant funding is the WaterSMART: Water and Energy Efficiency Grants for FY 2022. On November 3, 2021, Metropolitan submitted an application to the United States Bureau of Reclamation's Water and Energy Efficiency FY 2022 Grant Program requesting \$2 million to increase funding for turf replacement of public agency landscapes eligible under the Turf Replacement Program. If approved, this action would adopt a resolution supporting Metropolitan's application for supplemental funding for turf removal in public agency landscapes to the United States Bureau of Reclamation (Reclamation). See **Attachment 1** for the resolution. If awarded, this action also authorizes the General Manager to accept up to \$2 million in grant funding and enter into a contract with Reclamation for the WaterSMART: Water and Energy Efficiency Grants for FY 2022. If awarded, the nonfederal cost share of \$2 million over three years would be provided by Metropolitan from the conservation budget. Project participation would be available to all member agencies.

Timing and Urgency

WaterSMART requires the inclusion of a board resolution supporting grant proposals within 30 days of the application submittal date of November 3, 2021.

Details

Background

Through the WaterSMART: Water and Energy Efficiency Grant Program, Reclamation annually invites states, Indian tribes, water districts, and other organizations to apply for funding assistance. The program targets projects that increase water efficiency, increase hydropower production, mitigate conflict risk in areas at a high risk of future water conflict, and accomplish other benefits that contribute to water supply reliability in the western United States. The grant program has an estimated budget of \$15 million depending on final FY 2022 appropriations. Applicants can submit multiple applications, but no more than \$2 million will be awarded to any one applicant. Applicants must provide at least a 50 percent cost share, and projects must be completed within three years of the award.

Metropolitan incentivizes improvements to outdoor water-use efficiency by offering a variety of rebates for irrigation system 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. After discussing with the member agencies and the Conservation and Local Resources Committee, staff determined that increasing resources for public agency landscape transformation would provide multiple benefits by increasing urban water conservation within the public agency sector, boost the visibility of successful landscape transformation projects, and in turn encourage more home and business owners to convert turf to California friendly landscapes.

If awarded, most grant funds would be used to increase Metropolitan's base incentive for public agency landscapes by an additional \$1 per square foot. A smaller portion of the funding would fund a concierge-type service for public agencies in which consultants would provide assistance with understanding the Turf Replacement Program requirements, facilitate connections with landscape professionals for the design and implementation of drought-friendly landscapes, and assist public agencies with the program application.

Funding will be provided to Metropolitan's member agencies through the existing Conservation Credits Program via the Turf Replacement Program funds. If awarded, staff anticipates the grant funding would give member agencies a greater ability to tailor outdoor water efficiency improvements for non-functional turf in public agency landscapes and promote water-use efficiency to their customers by leading by example.

WaterSMART requires the inclusion of a board resolution supporting grant proposals within 30 days of the application submittal date. The Board resolution documents the governing body's support of the application. The Board resolution acknowledges the support of the applications, 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 resolution does not obligate Metropolitan to accept funding. Metropolitan has the discretion to accept or decline potential funding after award.

Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51166, dated April 10, 2018, the Board authorized funding for the Landscape Transformation Program, and the Member Agency Administered Program

By Minute Item 50883, dated July 11, 2017, the Board adopted revised policy principles for guiding Metropolitan's role in regional implementation of IRP targets for conservation.

By Minute Item 50358, dated January 12, 2016, the Board adopted the 2015 IRP Update.

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because they involve applying for grants for potential future projects, and do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Metropolitan, as the Lead Agency, will be responsible for complying with any applicable requirements of CEQA and the State CEQA Guidelines for any future projects for which grant funds are received before approving such projects.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the resolution to support Metropolitan's application for United States Bureau of Reclamation grant funding of \$2 million to provide supplemental funding for public agency landscapes in the Turf Replacement Program;

- a. Authorize the General Manager to accept grant funds, if awarded; and
- b. Authorize the General Manager to enter into a contract with United States Bureau of Reclamation for the grant funds, if awarded.

Fiscal Impact: Addition of grant funds of \$2 million to existing Metropolitan funding would allow for more member agency local projects to be implemented to increase outdoor water efficiency.

Business Analysis: This grant would allow Metropolitan's funding to be used to reach more participants by enhancing Metropolitan's suite of outdoor incentives to public agency landscapes and will increase public visibility of water-use efficiency projects.

Option #2

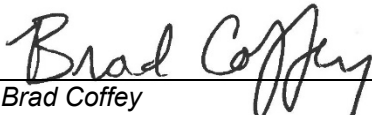
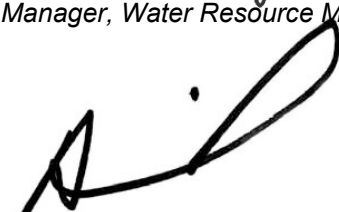
Do not support or accept grant funding.

Fiscal Impact: None

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

Staff Recommendation

Option #1

 _____ Brad Coffey Manager, Water Resource Management	11/1/2021 _____ Date
 _____ Adel Hagekhalil General Manager	11/1/2021 _____ Date

Attachment 1 – Resolution Supporting USBR WaterSMART Water and Energy Efficiency Grant Program FY 2022 Application for the Turf Replacement Program

Ref# wrm12679178

**Resolution Supporting USBR WaterSMART Water and Energy Efficiency
Grant Program FY 2022 Application for the Turf Replacement Program**

RESOLUTION _____
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 TURF REPLACEMENT PROGRAM

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 2022; 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 Turf Replacement Program under Reclamation's WaterSMART: Water and Energy Efficiency Grants for FY 2022.

BE IT FURTHER RESOLVED that Metropolitan's Board authorizes Metropolitan's General Manager to accept grant funding of up to \$2,000,000.00.

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 November 9, 2021.

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