



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 12/14/2021

To: Board of Directors, Sonoma County Water Agency
Department or Agency Name(s): Sonoma County Water Agency
Staff Name and Phone Number: Joan Hultberg, 547-1902
Vote Requirement: Majority
Supervisory District(s): All

Title:

Sonoma-Marin Drought Resiliency Project

Recommended Action:

- A) Adopt a resolution authorizing the General Manager of the Sonoma County Water Agency (Sonoma Water) to apply, accept, and execute a grant agreement and any amendments thereto with the United States Department of the Interior, Bureau of Reclamation for the Sonoma-Marin Drought Resiliency Program.
- B) Authorize the General Manager or designee to enter into agreements with project partners to pass-through grant funds to implement and administer the Sonoma-Marin Drought Resiliency Program.

Executive Summary:

The United States Bureau of Reclamation (Bureau) is accepting applications to its WaterSMART FY 2022 Water and Energy Efficiency grant program, due November 3, 2021. The Sonoma-Marin Saving Water Partnership (Partnership), of which Sonoma Water is a member, is proposing a regional drought resiliency program that will offer consumer rebates for water saving measures, including turf removal, replacement of inefficient clothes washing machines, and installation of home water-use monitoring devices. The grant application, prepared by Sonoma Water on behalf of the Partnership, will request \$2,000,000 in grant funds to implement the program. Partners will administer their own rebate program and provide the required 50% in matching funds. If awarded, Sonoma Water will provide project and grant administration. Its financial interest will be \$261,369, \$75,000 will be reimbursed under the grant.

Discussion:

BACKGROUND

As of July 2021, 89% of the western United States is experiencing drought conditions, and 25% is in the most severe drought category, known as Exceptional Drought. Both are historic records according to the U.S. Drought Monitor (USDM). Currently, 100% of California is in moderate drought, and 45.7% is in Exceptional Drought, including the counties of Sonoma, Marin and portions of Mendocino (all of Mendocino County is in Extreme to Exceptional Drought).

The United States Department of the Interior, Bureau of Reclamation's Water and Energy Efficiency Grants (WEEG) program 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 conflict; and accomplish other benefits that contribute to sustainability in the Western United States.

Sonoma-Marín Water Saving Partnership

The Sonoma-Marín Water Saving Partnership (Partnership) was formed in 2010 to identify and recommend implementation of water use efficiency projects and maximize the cost effectiveness of water-use efficiency programs in our region. Its members represent 13 water utilities in Sonoma and Marin counties, including the cities of Cloverdale, Cotati, Santa Rosa, Sonoma, Rohnert Park, Petaluma, Healdsburg; Town of Windsor; California American Water-Larkfield; North Marin, Valley of the Moon and Marin Municipal Water Districts and Sonoma Water. The Partnership recognizes that establishing common regional water conservation projects can cost-effectively conserve more water than would otherwise be conserved by individual agencies. This regional approach is based on meeting water conservation regulatory requirements by offering financial incentives to conserve and by educating water users about where drinking water comes from and how to use it most efficiently.

Through the proposed Sonoma-Marín Drought Resiliency Program (Program), eight participating partners plan to provide one or more rebate programs for turf removal, high-efficiency washing machine installation, and water monitoring device installation. In aggregate, the rebate programs will remove an estimated 2,996,118 square feet of turf, replace 382 inefficient clothes washing machines with high-efficiency models and rebate the installation of 750 Flume home water monitoring devices. The program will last three years from grant award and is estimated to save 244-acre feet of water annually, totaling 3,598 acre feet of water conservation over the project's measured life and increase water supply resiliency to address climate change.

Program Budget

The budget for the Sonoma-Marín Drought Resiliency Program is \$4,111,369. The grant program will reimburse Sonoma Water and its other partners up to \$2,000,000 for project expenses. Partner contributions related to rebate programs total an estimated \$3,850,000, with an estimated \$1,925,000 in offsetting federal revenue. The remaining \$1,925,000, of the \$3,850,000, is related to non-Federal cost share under the grant and has no fiscal impact to Sonoma Water. Sonoma Water will contribute \$261,369 in administration costs to the project, with an estimated \$75,000 in offsetting federal revenue. Sonoma Water will act as the grant administrator on the program to oversee compliance reporting and invoicing in accordance with all local and federal funding requirements. Project Partners will run their own rebate programs and supply all necessary backup documentation to Sonoma Water for Federal reimbursement requests.

Program Budget	Federal Funds	Non-Federal Cost Share	Total Program
Sonoma Water	\$75,000	\$186,369	\$261,369
Other Partners	\$1,925,000	\$1,925,000	\$3,850,000
Total Program	\$2,000,000	\$2,111,369	\$4,111,369

If awarded, the first phase of the Program will include executing contract agreements between Sonoma Water and each partner to establish roles, responsibilities, and the process for reimbursement. Once partner agreements are executed, partners will implement their respective rebate programs (second phase) and submit reimbursement requests to Sonoma Water on a quarterly basis. Sonoma Water will administer the pass-through of funds between Partners and the funding agency and will package a reimbursement request to

the funding agency on the same quarterly schedule. The program is expected to last for three years after grant award execution.

This proposed project will provide supplemental funding to the region for much needed water conservation programs. The Program is estimated to save 3,598 acre feet of water over the lifetime of the project. If not approved by the Board, the region risks losing an additional \$2,000,000 in federal funding for water conservation projects estimated to save 3,598 acre feet of water over the lifetime of the project.

Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Climate Action and Resiliency

Goal: Goal 4: Seek out grant funding to enhance programs and improve infrastructure

Objective: Objective 1: Align the Board of Supervisor's strategic priorities, policy, and operational goals with funding and resources.

Sonoma Water Strategic Plan Alignment

Water Supply and Transmission System, Goal 1: Protect drinking water supply and promote water-use efficiency.

The Sonoma-Marin Drought Resiliency Program will promote water use efficiency projects and maximize the cost effectiveness of water-use efficiency programs in our region. Establishing common regional water conservation projects can cost-effectively conserve more water than would otherwise be conserved by individual agencies.

Prior Board Actions:

None

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY22-23 Projected	FY 23-24 Projected
Budgeted Expenses	\$17,000	\$1,006,500	\$675,000
Additional Appropriation Requested			
Total Expenditures	\$17,000	\$1,006,500	\$675,000
Funding Sources			
General Fund/WA GF			
State/Federal	\$4,878	\$935,195	\$621,522
Fees/Other	\$12,122	\$71,305	\$53,478
Use of Fund Balance			
Contingencies			
Total Sources	\$17,000	\$1,006,500	\$675,000

Narrative Explanation of Fiscal Impacts:

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Budgeted amount of \$17,000.00 is available from FY 2021/2022 appropriations for the Water Conservation Fund. Offsetting revenue in the amount of \$4,878 will come from a United States Bureau of Reclamation federal grant, if awarded.

FY 2022/2023, FY 2023/2024, and FY 2024/2025 appropriations will be budgeted in those fiscal years.

	FY21/22	FY22/23	FY23/24	FY24/25	Total
Expenditures	\$17,000	\$1,006,500	\$ 675,000	\$487,869	\$ 2,186,369
Federal Funds	\$ 4,878	\$935,195	\$621,522	\$438,405	\$2,000,000
Water Conservation Fund	\$12,122	\$71,305	\$53,478	\$49,464	\$186,369
Total	\$17,000	\$1,006,500	\$675,000	\$487,869	\$ 2,186,369

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Resolution ratifying and approving submission of grant application and signing of funding agreement for Sonoma-Marín Drought Resiliency Program

Related Items "On File" with the Clerk of the Board:

None