

DATE: 7/20/2012

TO: Mayor and City Council Members

FROM: City Manager's Office; Environmental and Water Resources Department

SUBJECT: **RESOLUTION NO. 9039 - A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE REGIONAL WATER AUTHORITY TO PARTICIPATE IN A STATE GRANT PROGRAM SUPPORTING THE WATER METER IMPLEMENTATION PROGRAM**

BACKGROUND / ISSUE

The City is a participant in regional water conservation efforts, through membership in the Regional Water Authority (RWA), the Water Forum and the California Urban Water Conservation Council, that ensure the long-range reliability of water supply for its residents. The City Council has regularly approved water conservation grant programs through the State of California's Department of Water Resources.

The RWA was able to secure a grant with the State of California's Department of Water Resources, for multiple agencies to receive Proposition 50 Drought Assistance Program grant fund. Through the City's participation with the RWA, the City is eligible to receive grant funds for work related to the City's Water Meter Implementation Program. The MOU with the RWA will allow the City to recover costs from work previously completed during the Water Meter Implementation Program. This work includes construction, construction management, and inspection for the installation of water meters City-wide.

This Memorandum of Understanding (MOU) will allow the City to receive \$200,000 of grant funding through the RWA for water meter installations from the state's Proposition 50 Drought Assistance Program. This resolution authorizes the City Manager to execute a MOU with the RWA and to accept \$200,000 in grant funding for previous work completed for the Water Meter Implementation Program. Funds from this MOU, through RWA, will be used to recover costs and be deposited into the Water Fund accounts.

POLICY / RULE

Since the City has declared that water is a precious resource and conservation measures are needed for both normal rainfall and drought years (Ord. 1118, FMC Chapter 13.26) and as part of its obligation to the Central Valley Project, United State Bureau of Reclamation water entitlement agreement, and the State of California the City has installed water meters for all water customers.

The City of Folsom's financial policies, as adopted by Resolution No. 7332 and amended by Resolution No. 8367, require that the City Council approve grant applications that exceed the City Managers authority to enter into contracts in excess of \$41,750.

ANALYSIS

This Memorandum of Understanding with the RWA will allow the City to receive \$200,000 of state funding as reimbursement for costs incurred during the City's Water Meter Implementation Program. This funding is made available through a Proposition 50 Drought Assistance Grant awarded to the RWA and its member agencies for the purpose of accelerating the installation of water meters.

The grant was awarded to the RWA in October 2008 but was suspended by the Department of Water Resources due to the state's economic situation until 2012. The effective date of the grant is from May 2009 to December 2013 and the Department of Water Resources has now authorized work accomplished during that period to qualify for funding. This MOU with the RWA is required for the City to receive \$200,000 in Proposition 50 Drought Assistance Grant funding.

FINANCIAL IMPACT

In accordance with the terms of the grant, the State of California's Department of Water Resources will provide funding in the amount of \$200,000 and the City will provide \$200,000 in matching funds. Funds have already been expended by the City for the Water Meter Implementation Program, which qualifies as the City's share of funding. No additional expenditures are required.

ENVIRONMENTAL REVIEW

This activity would not cause a direct or indirect physical change in the environment, and therefore does not meet the definition of a "Project" under Section 21065 of CEQA. As such, no environmental review of this activity is required under CEQA.

ATTACHMENT

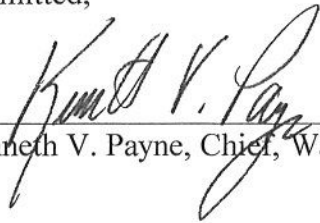
Resolution No. 9039 – A Resolution Authorizing the City Manager to execute a Memorandum of Understanding with the Regional Water Authority to participate in a State grant program supporting the Water Meter Implementation Program

RECOMMENDATION/ CITY COUNCIL ACTION

The City recommends that the City Council pass and adopt Resolution No. 9039 - A Resolution Authorizing the City Manager to execute a Memorandum of Understanding to receive grant funding from the Department of Water Resources Proposition 50 Drought Assistance Program managed by

the Regional Water Authority for water meter installation.

Submitted,



Kenneth V. Payne, Chief, Water Resources and Environmental Development

RESOLUTION NO. 9039

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE REGIONAL WATER AUTHORITY TO PARTICIPATE IN A STATE GRANT PROGRAM SUPPORTING THE WATER METER IMPLEMENTATION PROGRAM

WHEREAS, the City is eligible to receive \$200,000 in state grant funds through the Department of Water Resources for water meter installations; and,

WHEREAS, the City has complied with its obligations to the Central Valley Project, Bureau of Reclamation, and the State of California concerning water meter installation; and,

WHEREAS, the City recognizes the value of water meters in water conservation efforts; and,

WHEREAS, the City desires to accept these funds to accelerate water meter installation; and,

WHEREAS, the City of Folsom will comply with state statutes, regulations, policies, guidelines and requirements for application, acceptance and use of Proposition 50 Drought Assistance Grant funds managed through the Regional Water Authority; and,

WHEREAS, the City has already provided matching funds through the Water Meter Implementation Program in excess of \$200,000 and funds received from the Proposition 50 Drought Assistance Grant will be used to recover Water Meter Implementation Program expenditures and returned to the Water Fund (Fund 520).

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom Authorizing the City Manager to execute a Memorandum of Understanding with the Regional Water Authority to participate in a State grant program supporting the Water Meter Implementation Program.

PASSED AND ADOPTED on this 24th day of July 2012, by the following roll-call vote:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

Kerri M. Howell, MAYOR

ATTEST:

Christa Saunders, CITY CLERK