Meeting Date: 07/19/11

ACTION	TYPE OF ITEM
☐ Approved Recommendation	■ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Anthony Emmert, Water Resources Manager Agenda Item No. I-5

Reviewed By: City Manager City Attorney SMF Finance Other *(Specify)*

DATE: July 11, 2011

TO: City Council

FROM: Rob Roshanian, Interim Public Works Director
Public Works Department

SUBJECT: **Metropolitan Water District of Southern California Member Agency Funded Water Conservation Programs**

RECOMMENDATION

That City Council:

1. Adopt a resolution authorizing the City Manager or his designee to execute agreements, amendments and documents necessary to secure reimbursements from Metropolitan Water District of Southern California and Calleguas Municipal Water District for the following three water conservation programs:
   - A High Efficiency Toilet Exchange Program for single-family water customers;
   - A High Efficiency Toilet Installation Program for multi-family water customers;
   - A High Efficiency Sprinkler Nozzle Distribution program for both residential and commercial water customers.

2. Approve a Special Budget Appropriation in the amount of $483,400 consisting of $207,750 reimbursable funds and $275,650 from Water Fund Balance.

DISCUSSION

In May 2010 Metropolitan Water District of Southern California (MWD) implemented a new water conservation program, the Member Agency Funded Conservation Program (MAF). Designed to provide financial support to MWD's member agency's conservation programs while allowing individual agencies more flexibility to implement programs best-suited to cost-effectively conserve water in their service areas, this program allocated a total of $220,000 to Calleguas Municipal Water District (CMWD) to spend on water conservation programs within its service area during the 2010-2011 fiscal year. The program has been reinstated for the fiscal year 2011-2012.

As a MWD member agency, CMWD is allowed to submit proposals to MWD on how the allocated MAF money will be spent. CMWD, in turn, has asked its retail agencies, including the City of Oxnard, to submit water conservation programs they would like to implement using the available money. Under the rules of the MAF Program, agencies can be reimbursed at a pre-defined per unit basis for each water-saving device installed or distributed through their conservation programs. CMWD will add additional funding to the amounts pre-defined by MWD for some devices.

The City Council adopted a Water Conservation Master Plan in February 2011, which included a suite of programs designed to reduce the City's water demand in the most cost-effective manner possible, in order to increase water supply reliability. The City of Oxnard has applied to implement three of the water conservation programs included in its Water Conservation Master Plan under the MAF Program:

- High Efficiency Toilet (HET) Exchange Program for single-family water customers.
  Residential water customers will be offered an HET, or a toilet that uses 1.28 gallons per flush (gpf) of water or less, in exchange for an old toilet rated at 3 gpf or greater. The homeowner will be responsible for installation.
- HET Installation Program for multi-family water customers and hotels and motels.
  Multi-family residential water customers, along with hotels and motels, will receive HET's directly installed on their property by a licensed plumber, free of charge.
- High Efficiency Sprinkler Nozzle Distribution program for both residential and commercial water customers.
  The High Efficiency Sprinkler Nozzle Distribution provides water customers with vouchers to pick up a set of high efficiency sprinkler nozzles at a local irrigation supply company, free of charge. These nozzles are easy to install in existing irrigation systems and have been shown to reduce landscape irrigation water usage by as much as 20%.

In addition to protecting the City's water supply, these programs will allow the City to remain eligible for State-supplied grant and loan programs for all future water projects. Under SB x7-7, enacted in November 2009, urban water suppliers, including the City of Oxnard, must reduce their water use by 20% by the year 2020. Eligibility for grant and loan programs is dependent upon the City's ability to demonstrate it is on track to meeting its 2020 water use reduction target in the interim years.

By participating in the MAF, the City is eligible for up to $207,750 in reimbursements from MWD and CMWD. These reimbursements offset the costs of implementing water conservation programs contained in the City Council approved Water Conservation Master Plan, saving both the City and residents money. In order for the City to take full advantage of the reimbursements offered by MWD and CMWD, these three programs must be completed no later than May 15, 2012. Therefore, program implementation must begin no later than August 1, 2011.

The following table illustrates the total estimated costs for each of these programs, including reimbursements made to the City by MWD and CMWD as part of the MAF.

Program	Number of Devices	Total Program Cost	MWD Cost Contribution	Calleguas Cost Contribution	Oxnard Total Cost
HET Exchange	650	$130,000	$32,500	$16,250	$81,250
HET Direct Installation	920	$248,400	$46,000	$23,000	$179,400
HE Sprinkler Nozzle Distribution	30,000	$105,000	$90,000	$0	$15,000
		$483,400	**$168,500**	**$39,250**	**$275,650**

FINANCIAL IMPACT

The City will be eligible to receive up to $207,750 in reimbursements from MWD and CMWD combined for the successful implementation of the three programs as long as invoices are submitted for reimbursement prior to May 15, 2012. If approved, the City will contribute an additional $275,650 from available Water Fund balance. A total of $483,400 is recommended for appropriation to Water account number 601-6011-846-8350 to cover the costs of the three water conservation programs under the MAF.

Attachment #1 - Resolution _____ Authorizing the City Manager or His Designee to Execute Agreements, Amendments or Other Documents Necessary to Secure Reimbursements from Metropolitan Water District of Southern California and Calleguas Municipal Water District for Water Conservation Programs

#2 - Special Budget Appropriation

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE AGREEMENTS, AMENDMENTS OR OTHER DOCUMENTS NECESSARY TO SECURE REIMBURSEMENTS FROM METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND CALLEGUAS MUNICIPAL WATER DISTRICT FOR WATER CONSERVATION PROGRAMS

WHEREAS, on November 10, 2009 California Senate Bill x7-7 was enacted requiring all urban water suppliers to reduce their water use by 20% by the year 2020 and demonstrate incremental progress toward that goal in the years leading up to 2020 in order to remain eligible for State-funded grants and loans for water projects; and

WHEREAS, on February 1, 2011 the City Council of the City of Oxnard adopted a Water Conservation Master Plan outlining nine water conservation programs designed to reduce the City's water use in the most cost-effective manner possible and retain the City's eligibility for State-funded grants and loans for water projects; and

WHEREAS, in May 2010 Metropolitan Water District of Southern California (MWD) implemented the Member Agency Funded Conservation Program to provide financial support to its member water agencies' conservation programs in the form of reimbursements upon the successful implementation of conservation programs; and

WHEREAS, Calleguas Municipal Water District (CMWD), a member agency of MWD and a water supplier for the City of Oxnard, agreed to participate in and add additional funding to MWD's Member Agency Funded Conservation Program and asked the City to implement eligible water conservation programs in order to receive reimbursements upon successful implementation of the programs; and

WHEREAS, three water conservation programs included in the City's Water Conservation Master Plan are feasible to implement within the timeframe required to receive reimbursement under the Member Agency Funded Conservation program;

NOW, THEREFORE, the City Council of the City of Oxnard resolves that the City Manager or designee the Assistant City Manager is authorized to execute agreements, amendments or other documents necessary to secure reimbursements from MWD and CMWD for the following three water conservation programs:

- A High Efficiency Toilet Exchange Program for single-family water customers;
- A High Efficiency Toilet Installation Program for multi-family water customers;
- A High Efficiency Sprinkler Nozzle Distribution program for both residential and commercial water customers.

PASSED AND ADOPTED, this 19th day of July by the following vote:

AYES:

NOES:

ABSENT:

_____
Dr. Thomas E. Holden, Mayor

ATTEST:

_____
Daniel Martinez, City Clerk

APPROVED AS TO FORM

_____
Alan Holmberg, City Attorney

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager: July 19, 2011

Request is hereby made for an appropriation of total . . . . . $ 483,400

Reason for appropriation: To fund three water conservation programs under Metropolitan Water District's Member Agency Funded Conservation Program.

FUND	DESCRIPTION/ACCOUNT	AMOUNT
Water Operating (601)	601-6011-846-8350	483,400
Water Operating (601)	601-6011-691-7519	(207,750)
	Net Estimated Change to Water Operating Fund Balance	**(275,650)**

Manager

CHIEF FINANCIAL OFFICER

REQUIRES CITY COUNCIL APPROVAL

James Cameron

Disposition

Approved _____

Rejected _____

Transfer by Journal Voucher

City Manager