



# City of Woodland

## REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: June 16, 2009

SUBJECT: Authorization to Pursue Water 2025 Challenge Grant with US  
Department of Interior, Bureau of Reclamation

### **Report in Brief**

The Water 2025 Challenge Grant Program is a competitive process focused on projects that can be completed by September 30, 2010 and will help to prevent water shortage crises primarily focused in the Western United States. Eligible projects include water banks and water markets, technologies for improved water management, canal lining, and measuring devices for non-State entities.

Staff recommends that the City Council adopt Resolution No. \_\_\_\_ authorizing the submittal of a proposal to the Department of Interior, Bureau of Reclamation for the Water 2025 Challenge Grant for the Meter Implementation Project Phase 2, Project No 08-08 for a grant in the amount of \$2.5 million and authorize the Public Works Director to execute all necessary forms on behalf of the City of Woodland.

### **Background**

The federal Department of Interior, Bureau of Reclamation is soliciting a grant proposal focused on water conservation, efficiency, and water marketing. Through the Water 2025: Preventing Crises and Conflict in the West program, the Bureau of Reclamation provides 50/50 cost share funding, up to \$3 million to irrigation, water districts, local agencies with water delivery authority, and 18 western state agencies for projects meeting the goals of the Bureau of Reclamation in managing water supply in the West. The Water 2025 program is based on the reality that the demands for water in many basins of the West will exceed the available supply even in normal rain-fall years. The principles of the program are:

1. Recognize and respect state, tribal, and federal water rights, contracts, and interstate compacts or decrees of the United States Supreme Court that allocate the right to use water.
2. Maintain and modernize existing water facilities so they will continue to provide water and power.
3. Enhance water conservation, use efficiency, and resource monitoring to allow existing water supplies to be used more effectively.

4. Use collaborative approaches and market based transfers to minimize conflicts.
5. Improve water treatment technology, such as desalination, to help increase water supply.
6. Existing water supply infrastructure can provide additional benefits for existing and emerging needs for water.

### **Discussion**

The City has applied for this grant towards the implementation of the Meter Project Phase 2. This is aimed at complying with the requirement of Assembly Bill 2572. AB 2572 requires the City to install water meters on all municipal and industrial water service connections that are located in its service area by January 1, 2025. Water connections that are already metered and those connected after 1991 are to be billed volumetrically by January 1, 2010. All other customers are to be billed on a consumptive basis by January 1, 2025. Moreover, the bill also authorizes urban water suppliers to recover the cost of providing services related to the purchase, installation, and operation of a water meter from rates, fees, or charges.

At the direction of the Council, City staff has divided the City-wide metering project into two phases: as indicated below;

- Phase 1: This phase consists of houses that are already metered, houses built after January 1<sup>st</sup> 1992, all commercial accounts, and all City owned facilities. The tasks in this part of the project include the inspection of all existing commercial and residential water meters. It also includes the installation of automatic meter reading system devices that will be able to collect meter usage data City-wide. In addition, transmitters will be placed on all of the existing meters. The transmitters will collect data from the meters and transfer them to the communication network which will then supply that information to the billing system in Finance.
- Phase 2: This phase includes the installation and calibration of new meters as well as transmitters on all other properties in the City not included in Phase 1 above. This grant application is for a portion of this phase. A total of approximately 10,000 meters and transmitters are expected to be installed in this phase of the project. Only a total of approximately 4000 meters and transmitters will be installed if the grant application is approved. This will require a City's cost participation of \$3.5 million.

The Phase 2 portion of this project was formally scheduled to be implemented in 2016, however staff believes it is advisable to implement a portion of this project (Phase 2) in fiscal year 2009/2010 if the grant application in the amount of \$2.5 million is approved by the Department of Interior. The rest will be implemented as originally scheduled.

The proposal is due on May 27, 2009 and the applicants are expected to submit the required resolution adopted by their governing entity by June 21, 2009. The application can be withdrawn if Council does not approve the grant application and/or the matching funds.

**Fiscal Impact**

The project cost in the amount of \$3.5 million will be financed from the proceeds of a new issue of serial bond; the debt service will be paid by the water enterprise fund. The implementation of this project in fiscal year 2009/2010 with the grant money and City's cost share participation will save Woodland rate payers \$2.5 million in future expenses.

**Public Contact**

An issue of the "Woodland Water News" prepared by the Utilities Engineering Branch that is distributed to City water customers in their utility bills bimonthly and the posting of the City Council Agenda has been a source of public communication.

**Alternative Courses of Action**

1. Adopt Resolution No. \_\_\_\_ authorizing the submittal of a proposal to the Department of Interior, Bureau of Reclamation for the Water 2025 Challenge Grant for the Meter Implementation Project Phase 2, Project No 08-08 for a grant in the amount of \$2.5 million and authorize the Public Works Director to execute all necessary forms on behalf of the City of Woodland.
2. Provide direction to staff for changes to be made on the Water 2025 grant application for the Meter implementation Project Phase 2, Project No 06-09.
3. Cease further consideration of the Water 2025 Challenge Grant Program.

**Recommendation for Action**

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Akin Okupe  
Senior Civil Engineer

Reviewed by: Doug Baxter  
Senior Civil Engineer

Reviewed by: Greg Meyer  
Director of Public Works

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Mark G. Deven  
City Manager

Attachments

CITY OF WOODLAND

RESOLUTION NO. \_\_\_\_\_

AUTHORIZATION TO APPLY FOR CHALLENGE GRANT

WHEREAS the U. S. Department of Interior established the Challenge Grant: Recovery Act of 2009 Water Marketing and Efficiency Grant Program to address water conservation and economic recovery challenges, including securing water resources for future generations;

WHEREAS the Challenge Grant Program recognizes that state and local governments should have a leading role in meeting water supply challenges;

WHEREAS the Challenge Grant Program provides a mechanism for the Bureau of Reclamation to partner with irrigation and water districts, and western states, to focus federal dollars on projects that will provide the greatest benefits to the West;

WHEREAS the City is located in a geographic region where there is substantial conflict potential in water demand;

WHEREAS the City is a water supplier providing water to a population over 50,000; and

WHEREAS the City is actively pursuing information and technologies to better manage and conserve the groundwater resources underlying the City;

BE IT THEREFORE, RESOLVED by the City Council of the City of Woodland, Yolo County, California, as follows:

1. The City Council has reviewed and supports a proposal for the Challenge Grant: Recovery Act of 2009 Water Marketing and Efficiency Grant;
2. The City is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan for implementation and construction of the Phase 2A Water Meter Implementation Project, as specified in the funding plan;
3. If selected for a Challenge Grant, the City will work with Reclamation to meet established deadlines for entering into a cooperative agreement; and
4. The Public Works Director is authorized to execute all necessary forms on behalf of the City of Woodland.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Marlin "Skip" Davies, Mayor  
City of Woodland

Attest:

\_\_\_\_\_  
Sue Vannucci, City Clerk

Date: \_\_\_\_\_