



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 5/9/2017

Agenda Placement: 6R

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Steven Lederer - Director of Public Works  
Public Works

**REPORT BY:** Deborah Elliott, Environmental Resource Specialist - 259-5969

**SUBJECT:** Berryessa Water Conservation Rebate Program Implementation

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### **RECOMMENDATION**

Director of Public Works requests approval of Budget Transfer No. DPW023 appropriating \$15,900 in the Public Works Projects, Water Conservation Rebate Program budget with offsetting revenues from a Proposition 84, Round 3 of Integrated Regional Water Management Plan (IRWMP) Grant for activities related to the water conservation program in the unincorporated Napa County.  
(4/5 vote required)

### **EXECUTIVE SUMMARY**

Westside Sacramento River Integrated Regional Water Management Plan (Westside IRWMP) funding from Proposition 84 has been made available to Napa County (County) to offer water conservation rebates to residents and commercial properties in the unincorporated Berryessa Watershed. A Department of Water Resources (DWR) Proposition 84, Round 3 Project Implementation Grant totaling \$2,212,085 has been awarded to the Solano County Water Agency acting as Project Administrator on behalf of the Westside Coordinating Committee members. One of the projects within the DWR grant obligation commits \$458,939 to Water Conservation Program rebates to be shared amongst Solano County Water Agency, Solano Irrigation District and Napa County. A Memorandum of Understanding between Solano County Water Agency and Napa County Flood Control and Water Conservation District appropriates \$15,900 to the County's Water Conservation Program. Napa County Measure A sales tax collections will provide \$3,975 in matching funds to the program which has already been appropriated. A 2012 MOU between Napa County Flood Control and Water Conservation District and Napa County established the framework to incentivize water conservation through rebates.

While the Water Conservation Project Element of the MOU totals \$458,939 for both Counties, the amount that Napa County expects to draw down will be much smaller due to the small number of residences in the unincorporated Berryessa Watershed. Each of the rebate programs outlined in the background has a specific funding amount that

all MOU participants are able to draw upon. This approach facilitates flexibility in program participation and allows the County to participate in indoor rebate programs that otherwise could have their funding impacted by other rebate programs such as the turf replacement programs that typically run out of funding quickly.

**FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Public Works Projects, Program 10005 Water Conservation Program. Revenues from a Proposition 84, Round 3 of Integrated Regional Water Management Plan (IRWMP) Grant. Napa County Measure A sales tax collections will provide \$3,975 in matching funds to the program which has already been appropriated.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Protection of the water resources of the County is paramount to maintaining the quality of life enjoyed by County residents. Water conservation rebates specifically targeted to the County unincorporated areas will help reduce overall water use and will result in water conservation activities being focused throughout the entire County, as all incorporated municipalities have water conservation rebate programs in place.
Is the general fund affected?	No
Future fiscal impact:	The Water Conservation rebates will terminate on October 1, 2019, or when all obligations under the State Agreement have been fully satisfied, whichever occurs first. The implementation of a water conservation program is a long-term commitment that will require the annual expenditure of funds for staff time to administer the program, as well as to support certain activities. As currently proposed, the estimated annual County costs are expected to be \$3,975 in Measure A funds per year. This is based on the recommended level of effort proposed and will be reviewed based on program success.
Consequences if not approved:	The County will not be able to offer water conservation rebates and, therefore, deemed ineligible for State of California Proposition 84 IRWMP project funds.
Additional Information:	

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION****General Information**

In 2009 staff developed a water conservation program for the unincorporated County. The water conservation program includes education and outreach to residents, commercial (including industrial and institutional customers) and the agricultural and winery community. In the past seven years, staff has held five agricultural and winery workshops, cosponsored numerous workshops and outreach events for residents, had booths at public events, mailed newsletters, distributed water conservation devices and provided rebates to residents of unincorporated Napa County.

### **Westside Sacramento River IRWMP**

The Napa County Flood Control and Water Conservation District acts as the local agency participating in Integrated Regional Water Management (IRWM) Planning within Napa County for both the Napa River and Putah Creek watersheds. Participating in the IRWM planning process on a regional basis allows project proponents within Napa County to apply for IRWM grant funds through the Department of Water Resources. The intent of the IRWM grant program, created by Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, was to encourage integrated regional planning strategies for water resources and to provide funding, through competitive grant opportunities, for projects that protect communities from drought, flood, improve water quality and provide water supply security. The IRWM grant program is jointly administered by the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB). Passage of Proposition 84 in 2006 amended California Water Code with Section 75026 et seq. establishing a \$1B fund for Integrated Regional Water Management projects. A funding region by DWR definition is a large contiguous watershed area within one of the major river sub-basins where multiple jurisdictions unite with staff delegates residing on a Committee that carries forth the goals and objectives described in the published Plan Report. DWR has awarded multiple rounds of grants for planning and implementation of water resources protection and management projects across the River Basin Funding Regions. The DWR has made it clear that it generally discourages sub-regional planning focused on County boundaries in favor of larger planning areas.

Napa County is split between DWR's San Francisco Bay and Sacramento River Funding Regions. The Sacramento River Funding Region is unique in terms of its vast size. As such, DWR further subdivided this region into several Funding Areas with the Westside Sacramento River encompassing Cache and Putah Creek watersheds. Land coverage spans northerly above Clear Lake, westerly straddling the Mayacamas Mountain range, east to the Sacramento River and south to the Rio Vista / Delta estuaries. In February 2012, Napa County Flood Control and Water Conservation District entered into a Memorandum of Understanding (MOU) collaborative with Solano, Lake, and Yolo County Agencies establishing the Westside Sacramento River Coordinating Committee.

Back in spring of 2015, DWR released a Proposition 84, Round 3 IRWM Project Solicitation Package (PSP) encouraging Funding Areas to apply for a grant leveraged opportunity towards eligible watershed and water conservation projects. In response to the PSP, Westside Coordinating Committee Members and Kennedy Jenks Consultants co-prepared a Proposition 84, Round 3 IRWM Grant Application naming four (4) Local Sponsored Projects that would rank favorably in accordance with DWR measurable benefits to watersheds. Napa County Flood Control and Water Conservation District (NCFCWCD) acted as the Fiscal Agent throughout the application period. Westside CC disbursements from Yolo County Flood Control and Water Conservation District enacted a Resolution approving payment disbursements to NCFCWCD for Grant Application Consulting Fees. The final DWR project application consisted of two (2) locally sponsored elements originating from Napa County. First project scope is funding to supplement the County's Water Conservation Program. In 2009, staff developed a water conservation program for the unincorporated County. The water conservation program includes education and outreach to residents, commercial (including industrial and institutional customers) and the agricultural and winery community. In the past seven years, staff has held five agricultural and winery workshops, co-sponsored numerous workshops and outreach events for residents, had booths at public events, mailed newsletters, distributed water conservation devices and provided rebates to residents of unincorporated Napa County. Grant proceeds of approximately \$15,900 matched by a \$3,975 Measure A contribution will spread the distribution of high

efficiency water conservation devices into unincorporated communities.

### **Recommended Rebate Programs**

For projects in the unincorporated Napa River Watershed, staff recommends participating in the following rebate programs with partial funding paid for by the grant.

#### **High-Efficiency Toilet Rebate Program (HET)**

This is a rebate incentivizing residents and commercial property owners to replace older high-volume toilets (3.5 or more gallons per flush (gpf)) or poor-performing ultra-low-flush toilets (1.6 gpf) with new HETs that use 1.28 gpf or less. Staff proposes a customer rebate of \$100 with a maximum Prop. 84 grant reimbursement of \$75 per rebate and County match of \$25.

#### **High-Efficiency Clothes Washer Rebate Program (HEW)**

This project provides rebates incentivizing customers to purchase and install new energy- and water-efficient residential clothes washers that meet the Energy Star Most Efficient criteria. The State Grant reimbursement is 75 percent of the rebate, with a maximum reimbursement of \$75 per rebate. The City of Napa administers the HEW program on our behalf and works with a consultant that charges a \$17 fee per rebate. This fee includes processing applications, cutting checks to rebate recipients, and working with water agencies to ensure smooth program delivery.

Staff will administer the rebate programs and will report to the Solano County Water Agency (SCWA). SCWA will report to DWR. Funding for this project comes from Prop. 84 through the Westside IRWMP. Residential and commercial properties must be located in the Berryessa Watershed to be eligible for the rebates. The Board of Supervisors approved MOU's for a similar program in the Napa River Watershed in June 2016.

### **Napa River Watershed**

The Board of Supervisors approved MOU's for a similar program in the Napa River Watershed in June 2016. HET rebate programs have not launched in either watershed yet. Staff was waiting for this MOU, and the State was offering rebates to residents through [saveourwaterrebates.com](http://saveourwaterrebates.com). Funding for those rebates recently ran out.

### **Funding Source**

For residents and commercial properties in the Berryessa Watershed, up to 75% of the costs will come from Prop. 84, and the remainder will come from the Measure A Water Conservation Program.

### **Recommended Program Components With Estimated Costs:**

<b>Unincorporated Napa River Watershed (Up 75% Grant Match)</b>						
<b>Program</b>	<b>Participating Households</b>	<b>Grant Reimbursement</b>	<b>County Match per Rebate</b>	<b>Subtotal County Match</b>	<b>Consultant Processing \$17/Washer</b>	<b>County Contribution</b>
HET	75	\$75	\$25	\$1,875	N/A	\$1,875

HEW	50	\$75	\$25	\$1,250	\$850	\$2,100
Total County Contribution:						\$3,975

**Table Notes**

Households: Approximately 500 in the unincorporated Napa River Watershed.

\*A consultant administers the HEW rebate program and adds a \$17 processing fee per rebate.

**Conclusions**

It is clear that the efficient use of water resources in the County, as well as the State as a whole, will be an ongoing priority. Water supply issues will continue despite the recent rains. The continuation of a water conservation rebate program in the County will take advantage of Prop 84. funds and target unincorporated County residents and commercial properties who, historically, have not had access to water conservation rebates. The program is timely and will continue the County's longstanding commitment to the beneficial use of natural resources locally.

**SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri