

# City of Sacramento

## Legislation Details (With Text)

<b>File #:</b>	2019-01262	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Consent Item	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	8/19/2019	<b>In control:</b>		City Council - 5PM	
<b>On agenda:</b>	11/5/2019	<b>Final action:</b>			
<b>Title:</b>	Supplemental Agreement No. 2: Cooperative Agreement with Sacramento Municipal Utility District for the Instant Online Rebate Program [Published for 10-Day Review 10/24/2019]				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>					

Date	Ver.	Action By	Action	Result
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### Title:

**Supplemental Agreement No. 2: Cooperative Agreement with Sacramento Municipal Utility District for the Instant Online Rebate Program [Published for 10-Day Review 10/24/2019]**

File ID: 2019-01262

**Location:** Citywide

### Recommendation:

Pass a Motion authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 2 to the City's Cooperative Agreement No. 2018-0861 with Sacramento Municipal Utility District to extend the service period for the Instant Online Rebate Program for five years to November 30, 2024 at \$350,000 per year for an additional \$1,750,000, bringing the total not-to-exceed amount to \$2,050,000.

**Contact:** Roshini Das, Sustainability Manager (916) 808-6270; Bill Busath, Director of Utilities, (916) 808-1434, Department of Utilities

**Presenter:** None

### Attachments:

- 1-Description/Analysis
- 2-Supplemental Agreement No. 2

## Description/Analysis

**Issue Detail:** Staff recommends Council approve Supplemental Agreement No. 2 with Sacramento Municipal Utility District (SMUD) to extend instant online rebates for smart irrigation controllers and provide other water saving products for City residents to encourage water use efficiency through November 30, 2024.

In May 2018, the City entered into a cooperative agreement with SMUD that allows utility water customers to purchase smart irrigation controllers on SMUD's online consumer marketplace, SMUD Energy Store, and to receive instant online rebates. The cooperative agreement was for \$100,000 through May 14, 2020. In October 2018, the SMUD Energy Store went live with the instant online rebates and was met with great success. Due to high demand, Supplemental Agreement No.1 was issued which increased the total not to-exceed amount to \$300,000 allowing SMUD to continue to offer the instant rebates for smart irrigation controller systems in the SMUD Energy Store. Per the City's 2013 Water Conservation Plan, the Department of Utilities (DOU) provides various rebates and incentives to city residents to encourage water use efficiency. Environmental Protection Agency WaterSense certified smart irrigation controller systems that tailor watering schedules based on site conditions such as soil moisture, rain, wind, slope, soil, plant type, and evapotranspiration can save an average home nearly 13,500 gallons of water annually.

**Policy Considerations:** The proposed supplemental agreement exceeds the City Manager's approval authority, requiring Council approval per City Code 3.64.040.A.3.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-day review on October 24, 2019 as required.

**Economic Impacts:** None

**Environmental Considerations:** The Community Development Department, Environmental Planning Services has reviewed the proposed agreement and has determined that it is not considered a "project" under the California Environmental Quality Act (CEQA) Guidelines. The approval of an agreement for water efficiency rebate program is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment (CEQA Guidelines section 15378 (b)).

**Sustainability:** The City's 2035 General Plan Goals U 2.1.10 Water Conservation Standards and U2.1.11 Water Conservation Programs; and the City's 2013 Water Conservation Plan requires the City to implement water conservation programs that increase water use efficiency, including providing incentives for adoption of water efficiency measures.

**Commission/Committee Action:** None

**Rationale for Recommendation:** Reduction of water use by providing incentives that encourage water efficient behavior protects and promotes the public health, safety and welfare by conserving a vital resource that is subject to ever-increasing demands. Due to the success of the program, the recommendation is to modify the agreement to provide \$350,000 to SMUD on an annual basis until November 30, 2024.

**Financial Considerations:** The original not-to-exceed amount of the agreement 2018-0861 was \$100,000. The net change by previous supplemental agreements in the amount of \$200,000 increased the agreement not-to-exceed amount to \$300,000. The proposed Supplemental Agreement No. 2 would extend the term of the agreement to November 30, 2024 and increase the agreement total by \$1,750,000, with an annual not-to-exceed amount of \$350,000, for a new total not-to-exceed amount of \$2,050,000. There is sufficient funding in the Water Conservation Program (I14120400) for the \$350,000 not-to-exceed amount in Fiscal Year 2019/20. The \$350,000 annual funding for this agreement in future fiscal years will be subject to the availability of sufficient funds in the Water Conservation Program (I14120400) for the applicable fiscal year.

There are no General Funds allocated or planned for this project.

**Local Business Enterprise (LBE):** Not Applicable.