

MEMORANDUM

To: Technical Advisory Committee

September 10, 2012

From: Chris DeGabriele, Chair

Subject: L/R/T2 Program Funding for FY 2013/14

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Last year the SCWA Budget resumed collection of funds for the Local Supply/Recycled Water/Tier 2 Water Conservation (L/R/T2) Program in the amount of \$7.14/acre foot (AF). Rohnert Park submitted a project to be funded in the SCWA FY 2012/13 budget under this program and Santa Rosa indicated a project would be ready to fund in FY 2013/14. It's not known how much of the Rohnert Park and Santa Rosa projects are ready to proceed but it is prudent to continue funding so that the remaining balance (~\$3M through FY 2011/12) can be funded to those water contractors who have not yet received their full allocation under the L/R/T2 Program.

A draft letter soliciting project interest from water contractors who have not yet received their full L/R/T2 allocation is attached to this memo and will be mailed this week. Once project proposals are received an L/R/T2 subcommittee meeting will be held to recommend funding for the L/R/T2 Program in the SCWA FY 2013/14 Budget.

DRAFT

September 10, 2012

Miles Ferris, Director of Utilities
City of Santa Rosa

Darin Jenkins, City Engineer
City of Rohnert Park

Damien O'Bid, City Engineer
City of Cotati

Milenka Bates, Director of Public Works
City of Sonoma

Paul Helliker, General Manager
Marin Municipal Water District

Subject: SCWA L/R/T2 Program Funding for FY 2013/14

Your City/Water District has not yet received its full allocation under the original SCWA Local Supply / Recycled Water/ Tier 2 Water Conservation Funding Program (L/R/T2) (Attachment 1) and the TAC will consider recommending L/R/T2 funding to be included in the Sonoma County Water Agency budget for next fiscal year (FY 2013/14). Section 4.15 of the Restructured Agreement (RA) provides for the collection of a Recycled Water and Local Supply Sub-Charge to carry out provisions of Section 2.6 of the RA. Guidelines and project evaluation criteria for the L/R/T2 Program (Attachment 2), were established for the original L/R/T2 program authorized pursuant to the 2001 Impairment MOU.

If you have an L/R/T2 eligible project, Please submit project proposals to the Technical Advisory Committee (TAC) chair by Monday, November 12, 2012. The L/R/T2 Sub-Committee will meet to develop a recommendation for consideration by the full WAC at the February meeting.

Sincerely,

Chris DeGabriele
General Manager

Enclosure

Cc: Krishna Kumar, Valley of the Moon Water District
Remlah Scherzinger, City of Petaluma
Richard Burt, Town of Windsor

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SONOMA COUNTY WATER AGENCY

LOCAL SUPPLY / RECYCLED WATER / TIER 2
 WATER CONSERVATION FUNDING PROGRAM 10-YEAR ALLOCATION

	<i>Allocation</i>	<i>Expended</i>	<i>Balance</i>
1 Santa Rosa	5,065,236	3,908,003	1,157,233
2 Petaluma	2,197,913	2,197,913	--
3 Marin Municipal	1,724,026	1,000,000	723,926
4 North Marin	1,846,726	1,846,726	--
5 Rohnert Park	649,629	--	649,629
6 VOM	627,875	627,875	--
7 Sonoma	539,411	264,295	275,116
8 Windsor	86,996	86,996	--
9 Cotati	157,235	--	157,235
10 Forestville	104,953	104,953	--
Total	13,000,000	10,036,861	2,963,139

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GUIDELINES AND PROJECT EVALUATION CRITERIA

SCWA LOCAL SUPPLY/RECYCLED WATER/TIER 2 WATER CONSERVATION FUNDING PROGRAM

The Memorandum of Understanding Regarding Water Transmission System Capacity Allocation During Temporary Impairment (Impairment MOU) establishes that the phrase "Cost effective water conservation measures that reduce water demands on the transmission system" as used in Section 2.5 of the Tenth Amended Agreement includes cost effective water conservation measures, recycled water projects that offset potable water use and standby local peak month production capacity projects that reduce peak demand on a transmission system (L/R/T2 measures). Sonoma County Water Agency (SCWA) plans to budget and distribute funds to the Water Contractors, Windsor and Marin Municipal Water District for implementing L/R/T2 measures. By November 1 of each year the parties to the Impairment MOU further agree that the Water Advisory Committee shall approve and report to the SCWA which projects are to receive funding support in the subsequent fiscal year's budget. Said approval will not include the first \$15 million for water conservation measures or the \$1.3 million in FY 00/01 SCWA budget for recycled water projects which has already been approved by the Water Advisory Committee in the Agency's FY 00-01 Water Transmission System Budget. The Water Advisory Committee has appointed a subcommittee to review the L/R/T2 measures and make recommendations to the Agency.

GUIDELINES

1. Water Advisory Committee supports the inclusion of \$13 million dollars over ten years up to \$2.0 million per year in the Sonoma County Water Agency's Water Transmission System budget for the L/R/T2 program.
2. Revenue requirements are to be met through a surcharge to the Water Transmission System Operations and Maintenance (O&M) rate.
3. Each party signatory to the Impairment MOU, excluding SCWA, shall be eligible and allocated a share of the L/R/T2 funding proportional to their average annual water delivery for three years (FY 98/99 through FY 00/01) divided by the SCWA deliveries to eligible parties over the same period (see Table 1). Eligible parties are eligible to receive the sum of their allocated shares over the life of the L/R/T2 program.
4. Eligible parties shall submit proposals for L/R/T2 projects to the Chairman of the Water Advisory Committee by September 30 of each year (for FY 01-02 contractors shall submit proposals to the Chair of the Water Advisory Committee by March 1, 2001). Project duration and funding eligibility may extend over more than one year.
5. By November 1 of each year the L/R/T2 subcommittee shall recommend projects to be approved by the Water Advisory Committee at a regular meeting for funding in the subsequent fiscal year's budget. Funding shall be made through distribution from the Water Transmission System O&M fund unless another funding source becomes available due to execution of a new water supply agreement subsequent to Eleventh Amended Agreement for Water Supply.
6. SCWA will account for each eligible party's share separately. Project payments by SCWA will be made only for design, construction, and/or implementation. Payment by

EXAMPLES OF ELIGIBLE L/R/T2 PROJECTS AND MEASURES

Recycled Water Projects

- New Treatment Plant Construction
- Existing Treatment Plant Capacity Upgrades
- Distribution Facilities (Pump Stations, Pipelines, Storage and all appurtenances)

Local Supply Projects

- New Treatment Plant Construction
- Existing Treatment plant Capacity Upgrades
- Aquifer Storage and Recovery Projects
- Backfeed Surface Storage for June-Sept Water Supply Production
- New Well Construction Potable Supply and Non Potable which offsets potable demand
- Rehabilitation of Existing Potable Well Supply

Tier 2 Water conservation Measures

- Water Conserving Appliance Incentives
- Irrigation Advisory Service