



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	9/14/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10701 - A Resolution Authorizing the City Manager to Implement Additional Rebate Programs in Response to 2021 Drought Conditions and Appropriation of Funds
<b>FROM:</b>	Environmental and Water Resources Department

## **RECOMMENDATION / CITY COUNCIL ACTION**

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10701 - A Resolution Authorizing the City Manager to Implement Additional Rebate Programs in Response to 2021 Drought Conditions and Appropriation of Funds

## **BACKGROUND / ISSUE**

The City of Folsom receives its water supply from the American River at Folsom Reservoir. On May 10, 2021, Governor Gavin Newsom issued a proclamation of a State of Emergency to mitigate the effects of drought conditions in the Sacramento-San Joaquin Delta Watershed counties including El Dorado, Placer, Sacramento, Sutter and Yolo. Hydrologic conditions in 2021 are currently the second driest year since 1977. Folsom Reservoir storage is projected to remain above the lake level that would require emergency operations from Reclamation, but there is regional concern that if dry conditions persist into the fall and winter months, emergency operations to deliver water to the cities of Folsom and Roseville, San Juan Water District, and Folsom State Prison, may be necessary.

On May 13, 2021, the Regional Water Authority (RWA) Board of Directors approved Resolution 2021-01, a Resolution of the Regional Water Authority Regarding Response to Dry Conditions in 2021. One of the key components of the resolution is a request from RWA to its member agencies asking for a reduction in surface water diversions from the American River watershed. The RWA resolution also asked water agencies to shift from surface water supplies

to groundwater supplies to keep more surface water in Folsom Reservoir. While there are water agencies within the region that can shift to groundwater supplies, the City does not have access to groundwater supplies.

On July 15, 2021, the Regional Water Authority (RWA) Board of Directors approved Resolution 2021-03, a Resolution of the Regional Water Authority Regarding Extreme Drought Conditions in 2021. Included in the Resolution is a request from RWA to its member agencies asking for a reduction in surface water diversions from the American River watershed by a minimum of 15 percent and/or additional shifting from using surface water to groundwater, where feasible.

On August 16, 2021, the City issued a Stage 3 water conservation declaration calling for a 20% reduction in water use compared to 2020. This resolution will authorize the City Manager to implement additional rebate programs in response to 2021 drought conditions and appropriation of funds for \$600,000.

### **POLICY / RULE**

In accordance with Chapter 3.02.030H of the Folsom Municipal Code, supplemental appropriations may be made by the City Council.

### **ANALYSIS**

On July 8, 2021, Governor Gavin Newsom signed Executive Order N-10-21 adding nine more counties to the drought proclamation state of emergency, bringing the total number of counties to 50 out of the 58 counties in California. The order requested that all Californians voluntarily reduce water use by 15 percent from their 2020 levels. The Executive Order also encouraged California water customers to visit [www.saveourwater.com](http://www.saveourwater.com) to find simple ways to reduce water use.

On August 16, 2021, the City issued a Stage 3 water conservation declaration calling for a 20% reduction in water use compared to 2020. New mandatory water use restrictions for residents and businesses include:

- Landscape and hand watering is limited to two designated days per week. Drip irrigation may be conducted on any day.
- Washing of parking lots, streets, driveways, or sidewalks is prohibited.
- The use of city water for construction purposes without city approval is prohibited.
- Restaurants are required to only serve water upon request.
- All pools, spas, and ornamental fountains/ponds shall be equipped with a recirculation pump.
- Pool draining and refilling shall be allowed only to the extent required for health, maintenance, or structural considerations.

The City prepared a Folsom Saves campaign to help City water customers reduce water usage. This campaign includes a road map to water savings with specific actions that water customers

can take indoors and outdoors to conserve water. In addition to the water savings tips, the City currently offers several water rebates and services to help our customers reduce water usage. These are described below:

1. Water Wise House Calls – Receive a visit from one of the City’s water conservation specialists and learn how to reduce water use indoors and outdoors.
2. Commercial Water and Large Landscape Irrigation Surveys – These surveys identify potential water savings and rebates available to our business and commercial customers and provide a review of outdoor irrigation systems and recommend ways to be more water efficient.
3. Rachio Smart Controller Rebate – The City is offering residents a rebate to purchase this smart controller for a reduced rate of \$75 plus tax (nearly a 65 percent savings).
4. Irrigation Efficiency Upgrades – Upgrade your current outdoor irrigation systems with efficient equipment (up to \$500), including irrigation controllers, sprinkler nozzles or drip system retrofits.
5. High Efficiency Toilets – Replace toilets with high efficiency toilets (up to \$175).

To increase the types of rebate programs and incentives offered to the City’s water customers, staff recommends the addition of two more rebate programs. One program is cash for grass and the other program is a smart home water monitor. Each is described below.

- Cash for grass rebates – The City would provide a rebate to City water customers conditioned on the permanent removal of grass.
- Smart home water monitor rebates – The City would provide a rebate to City water customers for the installation of a smart home water monitor device that alerts customers of potential leaks or abnormal water usage.

The proposed operational details and program requirements will be developed by the Environmental and Water Resources (EWR) Department in coordination with the City Manager’s Office, the City Attorney’s Office, and the Management and Budget Department. Each of the programs is intended to reduce overall water use within the City and help achieve the 20% water use reduction target. These programs will address the short-term water conservation requirements and also provide long-term water savings.

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 10701 - A Resolution Authorizing the City Manager to Implement Additional Rebate Programs in Response to 2021 Drought Conditions and Appropriation of Funds for \$600,000.

**FINANCIAL IMPACT**

These programs will be offered as a direct response to 2021 drought conditions and the Stage 3 water conservation declaration. The two additional rebate programs described above were not included in the Fiscal Year 2021-22 operating budget and therefore will require an appropriation. The initial costs will be captured in the Water Operating Fund (Fund 520) and at the end of the fiscal year the Water Impact Fund (Fund 456) will reimburse the Water Operating Fund for the rebates. One of the allowed expenses for the Water Impact Fund is expenses due to dry years. The EWR Department has sufficient funds in the Water Operating Fund (Fund 520) and the Water Impact Fund (Fund 456) for this appropriation and additional transfer.

**ENVIRONMENTAL REVIEW**

These programs are exempt from CEQA under Section 15061 (b)(3) and are not considered projects.

**ATTACHMENT**

Resolution No. 10701 - A Resolution Authorizing the City Manager to Implement Additional Rebate Programs in Response to 2021 Drought Conditions and Appropriation of Funds

Submitted,

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Marcus Yasutake, Director  
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

**RESOLUTION NO. 10701**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO IMPLEMENT  
ADDITIONAL REBATE PROGRAMS IN RESPONSE TO 2021 DROUGHT  
CONDITIONS AND APPROPRIATION OF FUNDS**

**WHEREAS**, the State of California is experiencing continued drought conditions; and

**WHEREAS**, the City issued a Stage 3 water conservation declaration on August 16, 2021, calling for a 20% reduction in water use; and

**WHEREAS**, these additional water conservation rebate programs were not included in the FY 2021-22 Water Operating Budget; and

**WHEREAS**, an appropriation in the amount of \$600,000 is needed and funds are available in the Water Operating Fund (Fund 520) and in the Water Impact Fund (Fund 456) as a transfer to the Water Operating Fund; and

**WHEREAS**, the implementing agreements, where applicable, will be in a form acceptable to the City Attorney;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to Implement Additional Water Rebate Programs in Response to 2021 Drought Conditions and Appropriation of Funds in the amount of \$600,000.

**BE IT FURTHER RESOLVED** that the Finance Director is authorized to appropriate an additional \$600,000 in the Water Operating Fund (Fund 520) and in the Water Impact Fund (Fund 456) as a transfer to the Water Operating Fund.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of September 2021, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

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