

**PUBLIC WORKS AND UTILITIES
MEMORANDUM #08-03**

DATE: February 14, 2008
TO: Honorable Mayor Kathleen M. Novak and City Council Members
FROM: A.J. Krieger, City Manager 
David Allen, Director of Public Works and Utilities 
SUBJECT: CR-39 – Colorado Water Conservation Board Grant Acceptance

RECOMMENDATION:

Attached to this memorandum is a Resolution, which if approved would authorize the City to accept a grant from the Colorado Water Conservation Board in the amount of \$60,000. The grant will be used to distribute 500 high efficiency toilets to qualifying Northglenn residential water customers at no cost. Staff recommends approval of the proposed Resolution.

BACKGROUND:

Inefficient and outdated toilets account for the single largest indoor water use. Most of the houses built in Northglenn were constructed in the 1960's and early 1970's. Many of these homes still have the original toilets in them. These older toilets typically use between 4.5 and 7.0 gallons per flush.

In response to persistent drought conditions during 2002 and 2003, the City initiated a \$75 rebate program for residential customers who replaced older toilets with more efficient models. Since its inception in 2003, approximately 620 toilets have been replaced under the rebate program which translates to an estimated water savings of approximately 31 acre-feet per year.

To help accelerate the replacement of the older toilets, the City plans to move forward with a program to give away 500 toilets to Northglenn residential customers. Specifically, this program will replace 500 older inefficient toilets with a new dual flush model that uses between 0.8 and 1.6 gallons per flush. Projected water savings range between 20 and 25 acre-feet per year and the estimated cost for the program is approximately \$75,000.

The proposed toilet distribution program was identified in the City's Water Conservation Plan which was adopted by the Northglenn City Council on July, 12 2007, and subsequently approved by the Colorado Water Conservation Board (CWCBC). The City received a \$16,000 grant from the CWCBC in 2006 to help fund the preparation of the Water Conservation Plan. By having a State approved Water Conservation Plan, the City is now eligible to receive additional grant funding from the CWCBC to implement water efficiency projects.

To assist in the funding for the free toilet distribution program, the City applied for a \$60,000 grant from the CWCBC. As part of the application package, the City committed to provide \$9,700 of in-kind staff support and \$5,050 in matching funds, for a total City contribution of \$14,750. At its meeting on January 23, 2008, the CWCBC approved the City's request for a \$60,000 grant. Copies of the CWCBC approval letter, Guidelines for the Water Efficiency Grant Program, and

acceptance of a revision to reduce the withholding amount of the final payment from 10% to 5% are attached for reference.

The distribution event will take place during a weekend in the summer of 2008. Although arrangements have not been finalized, the event will take place at either Northglenn High School or in the Lowe's Home Improvement parking lot at the Northglenn Marketplace. Interested residents will be able to register for the program on the City's website, through a mail-in form, or in person at the City's Utility collection desk. The 500 participants will be selected on a random basis. Water savings will be tracked by two methods: 1) monitoring actual usage from a selected sample of customers and 2) by comparing all of the participants' winter water consumption before and after toilet replacement.

Similar toilet distribution programs have been successfully implemented in other states such as California, Arizona, and Texas. Since this is the first time such a large-scale distribution program of this type will be implemented in Colorado, considerable press and media coverage is anticipated. Finally, the City plans to continue with the toilet rebate program for those residential customers who still want to replace older toilets, but are not selected for the give-away program.

BUDGET/TIME IMPLICATIONS:

There is no impact to the General Fund. There are sufficient funds in the 2008 Public Works and Utilities Department operating budget to pay for the City's in-kind staff support (\$9,700) and matching contributions (\$5,050).

STAFF REFERENCE:

If Council Members have any comments or questions, they may contact David Allen at (303) 450-8783 or dallen@northglenn.org.

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-39
Series of 2008

Series of 2008

A RESOLUTION ACCEPTING A GRANT FROM THE COLORADO WATER CONSERVATION BOARD.

WHEREAS, the City of Northglenn (Northglenn) received a \$16,000 grant from the Colorado Water Conservation Board (CWCB) in 2006 to prepare a Water Conservation Plan; and

WHEREAS, the Northglenn City Council adopted, and the CWCB approved, a Water Conservation Plan in 2007 which would save 600 acre-feet of water annually through various conservation practices and programs; and

WHEREAS, Northglenn is eligible to receive additional grant funding from the CWCB by virtue of having a State approved Water Conservation Plan; and

WHEREAS, Northglenn submitted a grant application to the CWCB to fund a program to distribute 500 high efficiency toilets to Northglenn residential customers; and

WHEREAS, the CWCB approved Northglenn's grant request for the toilet distribution on January 23, 2008.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The City Council hereby accepts a Colorado Water Conservation Board grant in the amount of \$60,000 to be used for a water conversation program to distribute 500 high efficiency toilets to residential customers of the City.

DATED at Northglenn, Colorado, this ____ day of _____, 2008.

KATHLEEN M. NOVAK
Mayor

ATTEST:

DIANA L. LENTZ, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1313 Sherman Street, Room 721
Denver, Colorado 80203
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January 29, 2008

Wayne East
Water Conservationist
City of Northglenn
P.O Box 330061
11701 Community Center Drive
Northglenn, CO 80233-8061

Bill Ritter, Jr.
Governor

Harris D. Sherman
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Dan McAuliffe
CWCB Deputy Director

Dear Wayne,

This letter is to inform you that the Office of Water Conservation and Drought Planning (OWCDP) and the CWCB Board, has reviewed your grant application to host a large scale high efficiency toilet giveaway program in an aggressive effort to conserve water. The OWCDP and the Board have determined that the application meets the Colorado Water Conservation Board Guidelines for reviewing grant proposals.

The OWCDP staff is pleased to award the City of Northglenn, a grant in the amount of \$60,000 to aid in achieving the long term water savings goal of 600 acre-feet per year identified within the water conservation plan through implementation of the High Efficiency Toilet Give-Away Program.

The CWCB looks forward to working in collaboration with the City of Northglenn. Should you have any questions or concerns, please feel free to contact me. Thank you for your interest in and support of water conservation. I look forward to working with you.

Sincerely,



Tammie Petrone
Grants Manager
Office of Water Conservation & Drought Planning

Adopted by the Board July 18, 2005
Revised by the Board January 24, 2006
Revised by the Board November 14, 2006

GUIDELINES FOR THE WATER EFFICIENCY GRANT PROGRAM

1. Background

House Bill 05-1254 adopted by the 2005 Colorado General Assembly, created the Water Efficiency Grant Program Cash Fund, which will be administered by the Colorado Water Conservation Board ("Board"). This Fund, which will consist of up to \$500,000 per year for each of the next three fiscal years (2006, 2007, and 2008) may be distributed to the following:

- Covered entities to aid in achieving the goals outlined in their locally adopted Water Conservation Plans; and
- Public and private agencies whose primary purpose is to promote the benefits of water resource conservation for education and outreach aimed at demonstrating the benefits of water efficiency.

Further, the Colorado General Assembly has indicated that water conservation means water use efficiency, wise water use, water transmission, distribution system and storage system efficiency, and supply substitution. The objective of water conservation is a long-term increase in the beneficial use of water supplies in order to satisfy water supply needs without compromising desired water services.

2. Intent of the Board

It is the explicit intent of the Board to work with public and private agencies, water users and local entities to increase meaningful water conservation in the state by:

- Increasing the number of local entities with CWCB approved water conservation plans;
- Improving the nature and breadth of water conservation practices at the local level; and
- Increasing the amount of technical assistance that the CWCB provides to local entities.

With these objectives in mind, the Board intends to administer the Water Efficiency Grant Program for the purpose of providing financial assistance to both: covered entities with locally adopted Water Conservation Plan that have specified water efficiency (or savings) goals in accordance with §37-60-126 CRS; and agencies that have as their primary purpose to promote water resource conservation which desire to fund education and outreach aimed at demonstrating the benefits of water efficiency.

Adopted by the Board July 18, 2005
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4. Fund Application Process

a) Eligibility Requirements–

There are two groups of applicants that are eligible for monies under this Grant Program:

- i) Financial assistance may be provided to a **covered entity** that has a locally adopted Water Conservation Plan and has defined goals in that Plan in accordance with §37-60-126. A covered entity is defined as any Colorado municipality, agency, utility, including any privately owned utility, or other publicly owned entity with a legal obligation to supply, distribute, or otherwise provide water at retail to domestic, commercial, industrial, or public facility customers, and that has a current total annual demand for such customers of two thousand acre-feet or more.
- ii) Financial assistance may be provided to a **public or private agency** whose primary purpose is the promotion of water resource conservation.

To apply, an applicant must demonstrate that:

- It is in fact a covered entity (as defined above); through the disclosure of its organizational structure, its charter (or equivalent), and its annual retail water demand for the past five years, and that the covered entity has a locally adopted Water Conservation Plan with goals defined for water savings; or
- It is in fact a public or private agency whose primary purpose is water resource conservation based on its charter (e.g., articles of incorporation, by-laws, etc.) and/or defined operating principals.

b) Application Submittal Requirements –

To apply for financial assistance under this Grant Program, any eligible entity or agency may submit an application to the Office for consideration. Below are the requirements for the application submittal.

1. The name and contact information of the entity or agency seeking the grant.
2. A list of the organizations and/or individuals including those hired or otherwise retained by the entity or agency that will assist in performing the “Project”, and a written statement of their role and contributions.
3. For covered entities:
 - a. The identification of retail water delivery by the covered entity for each of the past five years (in acre-feet or million gallons) and additional information characterizing past water use by sector (e.g., residential, commercial, industrial, irrigation) and source (e.g., surface water, groundwater, etc.).
 - b. Background characterizing the local water system, potential growth and any other pertinent issues that relate to the stated evaluation criteria. Information provided must include:
 - i. Current, and if available, past per capita water use for the last five years and the basis for this calculation
 - ii. Past, current and predicted population served by the entity and the source of this information
 - iii. Estimated water savings goals to be achieved through implementation of the Plan

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In addition, the applicant will need to prepare and submit a final Project report to the Board including a review of the activities completed, an estimate of actual water savings realized (for covered entities), and other information that is relevant to the Board's record of the Project and future use of the Project outcomes.

Note that applicants are encouraged, **but not required**, to utilize the Water Conservation Plan Development Guidance Document prepared by the Office and posted on the Board website as a guide in preparing the scope of work portion of the application.

c) Application Evaluation Criteria –

Applicants that meet the eligibility requirement will be evaluated and ranked based on the evaluation criteria (Tables 1 and 2), for covered entities and agencies, respectively.

The degree to which an application meets the above evaluation criteria will be determined by utilizing the rating system (Table 1 and 2), and the Office Evaluation Checklist.

Projects from qualified applicants will be ranked based on these criteria for the purpose of determining which Projects receive grant funds. The Board and Office have sole discretion in the determination of grant funding awards.

Matching Funds –

Entities and agencies requesting funding under this program must demonstrate the ability to provide 25% of the total Project budget with matching funds, either as cash or in-kind services or through payment of consulting fees or any combination thereof. Any project partner contributing to the matching fund requirement must provide documentation, such as a letter, detailing the amount and purpose of their commitment. The Board will consider applications with a reduced level of matching funds; however these applicants will need to demonstrate financial hardship or other special circumstances to be eligible for a Board waiver of the matching fund requirement.

NOTE: The match is not on the grant amount requested but rather on the total Project budget. (e.g. Total cost for Project = \$20,000. The minimum 25% match required for the Project = \$5,000. Therefore, the maximum grant request for the Project = \$15,000.)

d) Application Review and Ranking -

An Applications Committee consisting of Colorado Water Conservation Board staff, and other individuals with appropriate expertise as needed, will review the applications. The Applications Committee will first determine whether applications meet the eligibility requirements specified in the guidelines. The Committee will then evaluate and rank the applications in accordance with the Application Evaluation Criteria provided in Tables 1 & 2. Based on this ranking, the Applications Committee will make recommendations for awarding Grant Program monies to the Board for its consideration and award as appropriate.

Note that the Grant Program monies will need to be allocated between covered entities and agencies that submit meritorious applications. Although it is the Board's preference to fund "on the ground" water conservation and water use efficiency projects, focused education and outreach efforts are highly valuable and important. To this issue, the Board will decide on a case-by-case, month-by-month basis how to share the available funds based on the quality of the applications, the available funding, the needs of the State, and the nature of the stated needs represented by the applicants.

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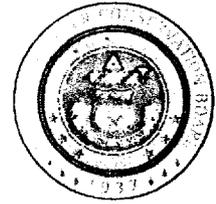
Table 1
Water Efficiency Grant Program
Application Evaluation Criteria for Covered Entities

Criteria	Description	Weighting Factor
Technical Merit		Total 70
Existing Per Capita Water Use	Applicant will report the per capita daily water use annualized for each of the last five water years based on total water demand and/or retail sales divided by population served, or similar.	10
Rate of Expected Growth in Service Demand	Rate of expected growth in service demands, reported as total retail water demand, under current conditions (i.e., before water conservation plan is developed and implemented). Can be based on expected change of population into the future or some other acceptable method.	10
Expected Goals for Water Savings Related to Proposed Conservation and Efficiency Measures and Programs	Goals, which must be developed in accordance with §37-60-126 CRS, are based on estimates made by the applicant and the applicant's knowledge of the applicant's water system, past conservation efforts, and future water needs	25
Use of the Water Conservation Plan Development Guidance Document structure and processes promoted by the Office, or similar to develop goals and select measures and programs	See the Board website for the Water Conservation Plan Development Guidance Document which contains a presentation of the nine planning steps and a summary of the overall planning process, including developing and setting water efficiency and water conservation goals	25
Organizational Capability		Total 20
Level of staffing (volunteered or paid, in-house or out sourced) committed to the effort	Based on availability of staff and the availability of other resources used to support staff	5
Capabilities of the Staff or Staff resources	Based on resumes of staff, resources available to staff (e.g., consultants, advisors, etc.)	5
Level of organizational communication with the public	Based on the identification of those public processes that have been, or will be included in the development of a Plan, including public meetings, press releases, news stories, etc.	5
Level of commitment from the governing board/counsel	Based on information included in the application such as the content of the letter from the governing board (or equivalent), local laws, examples of previous governing board actions, etc.	5
Other Considerations		Total 30
Adequacy, Stability, and Reliability of Current Water Supplies	Include description of water supply needs, permitting issues, and other competing needs for local and regional water supply	10
Financial Need		10
Location of the Entity with Respect to SWSI Recommendations	Board staff will locate the entity relative to areas that have been identified as water short within the SWSI recommendations and findings	10
Total		120

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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1/30/08

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Dear Wayne,

Below you will find the portion of the Water Efficiency Grant Program Guidelines which addresses the payment requirements associated with grant funding:

f) Payment - The CWCB will make payments during the term of the project from the Grant Program Cash Fund to the covered entity or agency that has been awarded funds, as requested by each applicant in their scope of work. All awarded grants will be bound by a Colorado State contract or purchase order that is in accordance with State fiscal rules. An applicant shall not commence work on any portion of the project funded by CWCB grant monies prior to the CWCB generating a purchase order or contract for the project. All payments will be based on invoices for work already completed. Also, please note according to State fiscal rules the Office has 45 days to process an invoice and send payment to the entity once an invoice is received. The individual payments do not need to be equal. All payments will be based on invoices for work already completed. The final payment will be at least 10% of the total grant award, which will not be released until completion of the Project.

The Office of Water Conservation and Drought Planning (OWCDP) Staff has agreed to amend the final payment withholding amount for the City of Northglenn's High Efficiency Toilet Give-Away Program from 10% to 5%. Therefore, considering that the awarded amount is \$60,000, typically \$6,000 would be withheld until completion of final report, 3/09, however; OWCDP has agreed to only withhold an amount of \$3,000 until that date.

Please feel free to contact me with any questions or concerns. I look forward to working with you on this project and appreciate your interest in water conservation!

Best Regards,

Tammie Petrone
Grants Manager
Office of Water Conservation & Drought Planning
(303) 866 3590