



City of Morgan Hill

Legislation Text

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CITY COUNCIL STAFF REPORT **MEETING DATE: DECEMBER 16, 2015**

PREPARED BY: Anthony Eulo, Program Administrator/Community Services Dept.
APPROVED BY: City Manager

AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH THE SANTA CLARA VALLEY WATER DISTRICT

RECOMMENDATION(S)

Adopt resolution authorizing the City Manager to execute the Amendment.

COUNCIL PRIORITIES, GOALS & STRATEGIES:

Ongoing Priorities

Protecting the environment

REPORT NARRATIVE:

The City has partnered with the Santa Clara Valley Water District for a decade on water conservation rebates via a Memorandum of Understanding (MOU) between the agencies. The partnership is currently focused on providing rebates for the installation of water-wise landscapes and the installation of efficient irrigation equipment. The District administers all aspects of the program and the City provides matching funds for Morgan Hill properties to further incentivize landscape conversions. Due to the attention that these ideas have received during the drought and the District's temporary doubling of its rebate, record numbers of residents and businesses are participating in the program. As a result, the District has run through its budgeted funds and has stopped conducting pre-inspections or processing new applications for the fiscal year.

The interest from Morgan Hill residents and businesses has been similarly strong and the demand for rebates from Morgan Hill customers has now exceeded the limit established in the MOU. While the District has stopped processing new requests, there were 31 applicants that received a pre-inspection and completed their paperwork who are anticipating receiving a rebate match from the City. While the City is not legally obligated by the MOU to provide the rebate, staff recommends that the City Council approve an amendment to the MOU increasing the limit for this year in order to ensure that the expectations of these customers are met.

COMMUNITY ENGAGEMENT: Inform

Customers impacted by the City's decision will be informed by the District about the availability of the

City's matching rebate.

ALTERNATIVE ACTIONS:

The Council could choose to not amend the MOU which would result in a reduction of the rebate for the 31 customers currently in the queue.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has approved a Water Conservation MOU with the District numerous times in the past decade. The current MOU was approved by the Council on June 17, 2015.

FISCAL AND RESOURCE IMPACT:

The amendment to the MOU adds \$37,000 to the MOU for this purpose. The Water Fund (Fund 650) is the funding source for this program. Since rebates have historically been budgeted annually, staff recommends that the planned FY 2016/2017 budget be reduced by \$37,000 so that there is no net impact on the Water Fund when considering two years of expenses.

CEQA (California Environmental Quality Act):

Categorical Exemption

This project and its related effects are categorically exempt from environmental review under the California Environmental Quality Act pursuant to California Code of Regulations, Title 21, Section 15307 (actions by regulatory agencies for protection of natural resources.)

LINKS/ATTACHMENTS:

Resolution