



## Council Communication

**TO:** Honorable Mayor and Councilmembers

**FROM:** Jeremiah Churchill, Water Resource and Conservation Coordinator,  
602-856-6930

**MEETING DATE:** 8/15/2023 6:30 PM - Regular Meeting

**SUBJECT:** Approval of Contract # 324000011, the Agreement between the Town and SRP for a dollar for dollar funding match for the non-residential grass removal rebate program for a total of \$75,000 over 5 years.

**STRATEGIC INITIATIVE:** Prosperous Community

The agreement with SRP for matching funds supports Gilbert's Strategic Initiative of a Prosperous Community through the expansion of our water conservation and water efficiency programs. These programs provide resiliency in face of the ongoing Colorado River shortage conditions.

**RECOMMENDED MOTION**

A motion to approve Contract #324000011, the Agreement between the Town and SRP for a dollar for dollar funding match for the non-residential grass removal rebate program for a total of \$75,000 over five years.

## **BACKGROUND/DISCUSSION**

Due to the worsening conditions on the Colorado River caused by historic drought, climate change, and over-allocation, the Town of Gilbert is pursuing innovative and attainable solutions to mitigate the impacts to the Town. These solutions fit within the following categories to meet the near- and long-term needs of the community:

- Operational Resiliency
- Long Term Portfolio Sustainability
- Water Conservation & Efficiency

SRP is undertaking a commitment to save five billion gallons of water by 2035 as part of their 2035 Sustainability Goals. As part of this commitment, they are partnering with their water customers to provide financial support for promising water conservation efforts. SRP wishes to help bring these new projects to fruition and to attribute water conservation from these projects towards their goals. The Town of Gilbert recently partnered with the SRP for the Smart Irrigation Controller Pilot program, that was a success and looks to continue this partnership with the dollar for dollar funding match for the Non-Residential Grass Removal Program.

The Non-Residential Grass Removal Rebate program was launched on May 08, 2023. This program provides a dollar per square foot of grass removed up to \$3,000. To further incentivize non-residential customers to remove grass and help with permanent water savings, SRP has agreed to supplement our rebate program with a dollar-for-dollar match. This would increase the amount awarded from \$3,000 to \$6,000 that a non-residential facility could receive if they meet all requirements of the rebate program. This program potentially would see water saving ranging from 40 to 50 gallons each year saved per square foot of grass removed.

Partnering with SRP allows for a more competitive program that increases the financial incentive for non-residential customers to consider removing their grass. Key terms and conditions of the agreement include the following:

- SRP will pay a dollar for dollar match for Gilbert's Non-Residential Grass Removal Rebate program for up to \$15,000 per year for up to five years (a total of \$75,000).
- Gilbert will share aggregated data quarterly with SRP on water savings and other significant findings based on Approved Rebates. No individual customer data will be shared.
- Gilbert will pay out Program funds to qualifying customers and invoice SRP for the amount paid on a quarterly basis.
- Gilbert will provide the square footage associated with the Approved Rebates as backup for the invoice. SRP shall pay each invoice within thirty (30) days following the date of such invoice.
- SRP may terminate this Agreement by giving thirty (30) days' written notice if SRP's annual review of water savings and expenditures demonstrates that the Program is not, in SRP's reasonable discretion, resulting in anticipated water savings commensurate with expenditures.

The contract was reviewed for form by Town Attorney Chris Payne.

The contract was reviewed by Paula Nitti, Contract Analyst.

### **FINANCIAL IMPACT**

The Water Conservation department has \$30,000 currently available in the FY24 budget under GL#60071310 specifically for the Non-Residential Grass Removal Rebate Program: \$15,000 for the original program budget and \$15,000 for payout and reimbursement under this agreement.

The financial impact was reviewed by Joseph Hewitt, Budget Analyst.

### **STAFF RECOMMENDATION**

Staff recommends approval of the agreement as presented.

Respectfully submitted,

Jeremiah Churchill

Water Resource and Conservation Coordinator