



TOWN OF FAIRFAX

STAFF REPORT

September 1, 2021

TO: Mayor and Town Council

FROM: Michael Vivrette, Finance Director
Jonathon Goldman, Interim Public Works Director
Adam Politzer, Interim Town Manager

SUBJECT: Receive report regarding potential projects and programs eligible for American Rescue Plan Act (ARPA) funding and provide direction to staff

RECOMMENDATIONS

Receive report and presentation. Staff recommends that potential projects continue to be developed in order that Council can establish priorities for appropriations over the next two fiscal years.

BACKGROUND

<https://home.treasury.gov/news/featured-stories/fact-sheet-the-american-rescue-plan-will-deliver-immediate-economic-relief-to-families>

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

https://home.treasury.gov/system/files/136/SLFRF_Treasury-Portal-Recipient-Reporting-User-Guide.pdf

From the California Budget & Policy Center (<https://calbudgetcenter.org/resources/american-rescue-plan-provides-assistance-to-millions-of-californians/>):

“How can the funding be used?”

The federal fiscal aid can be used for any of the following purposes.

- Covering COVID-19-related public health and economic costs.
- Offsetting state and local government revenue losses compared to the prior fiscal year.
- Providing premium pay to essential workers of up to \$13/hour on top of their current wages, up to a maximum of \$25,000 per worker.
- Expanding broadband, water, and sewer infrastructure.”

“How soon will the funding arrive and what is the timeline for using it?”

- The US Treasury will distribute funding to states by mid-May. Counties and cities will receive 50% of their allocations by mid-May and the other 50% a year later. There is no deadline for spending the funds.”

As is the case with federal funds the Town receives from other programs, there are somewhat onerous auditing, reporting and related terms and conditions. Attachment A to this Staff Report lists those.

From the Government Finance Officers Association (GFOA) (<https://www.gfoa.org/american-rescue-plan-spending-guiding-principles>):

- “Investment in critical infrastructure is particularly well suited use of ARPA funds because it is a non-recurring expenditure that can be targeted to strategically important long- term assets that provide benefits over many years. However, care should be taken to assess any on-going operating costs that may be associated with the project.
- *ARPA Scanning and Partnering Efforts.* State and local jurisdictions should be aware of plans for ARPA funding throughout their communities.
- Local jurisdictions should be cognizant of state-level ARPA efforts, especially regarding infrastructure, potential enhancements of state funding resources, and existing or new state law requirements.
- Consider regional initiatives, including partnering with other ARPA recipients. It is possible there are many beneficiaries of ARPA funding within your community, such as schools, transportation agencies and local economic development authorities. Be sure to understand what they are planning and augment their efforts; alternatively, creating cooperative spending plans to enhance the structural financial condition of your community.
- *Take Time and Careful Consideration.* ARPA funds will be issued in two tranches to local governments. Throughout the years of outlays, and until the end of calendar year 2024, consider how the funds may be used to address rescue efforts and lead to recovery.
- Use other dedicated grants and programs first whenever possible and save ARPA funds for priorities not eligible for other federal and state assistance programs.
- Whenever possible, expenditures related to the ARPA funding should be spread over the qualifying period (through December 31, 2024) to enhance budgetary and financial stability.
- Adequate time should be taken to carefully consider all alternatives for the prudent use of ARPA funding prior to committing the resources to ensure the best use of the temporary funding.”

DISCUSSION

Councilmembers, boards and commissions, staff and other advisory groups continue to monitor the potential for use of ARPA funds. Further, additional federal legislation has been approved for infrastructure investments, and additional funding may be forthcoming. Staff has reached out to nearby jurisdictions to gather information regarding their planned uses for ARPA funds. None of our neighbors have developed a program at this time.

During the course of Council’s July 1, 2021 special meeting (<https://www.townoffairfax.org/meetings/town-council-special-meeting-july-1-2021/#/tab-agenda-packet>), the following table listing of “Coronavirus State and Local Recovery Fund Proposed Allocations” was presented.

<u>Category</u>	<u>Proposed Allocations</u>
Loss Revenue	\$ 250,000
Storm Drain Pollution Control Improvements	\$ 100,000
Homeless Case Management	\$ 33,000
Mental Health Services (Countywide)	\$ 50,000
Small Business Grants (e.g., outdoor spaces)	\$ 50,000
Administration	\$ 25,000
Rental Assistance (replace GF)	\$ 25,000
Storm Drain repairs/improvements (Broadway)	\$ 30,000
Premium Pay	(limit 150% of county avg. wage)
Home repairs/weatherization	(no dollar amount)
Total	\$ 563,000
Total Remaining	\$ 337,000
Total Available	\$ 900,000

During the course of Council’s July 7, 2021 regular meeting, the Town approved the budget and programmed \$900,000 in revenue for ARPA-eligible projects in the fiscal year beginning July 1, 2021 and ending June 30, 2022 (see Adopted Budget, Fund 25, Department 715, page 67 <https://www.townoffairfax.org/documents/2021-22-adopted-budget/>). No appropriations were made at that time although the County-wide Homeless Voucher Program and Storm drain pollution control improvements were noted as potential future appropriations.

Several areas of additional potential are worth noting at this time. Although further guidance on eligibility of expenditures is expected, some of these are considered clearly eligible by staff at this time:

- Capital improvements to replace outdated information technology and telecommunications equipment at Town Hall and other public buildings to enhance reliability, resilience against local and remote electrical power quality issues and public safety shutdowns and preserve local government functions in emergencies. Staff is working with both AT&T and MariniT (<https://www.marinit.com/>) to develop a scope and budget for this project. Equipment acquisition costs are very preliminarily estimated at between \$100,000 and \$150,000.
- The Town’s Climate Action Committee recommends establishment of a revolving fund loan program using ARPA as a seed-funding source to facilitate equitable installation of insulation, energy efficient equipment retrofits and other decarbonization and carbon-footprint reduction improvements in Fairfax homes, commercial buildings and businesses. A preliminary proposal outline is attachment A to this Staff Report.
- The Town’s Climate Action Committee, in collaboration with the Marin Municipal Water District (Marin Water) and Sustainable Fairfax, also recommends establishment of the Fairfax Water Conservation Program (FWCP) intended to build on the programs offered by Marin Water to dramatically increase the adoption of water conservation strategies among the residents and businesses of Fairfax, and beyond. While development of the program continues, the Climate Action Committee/Marin Water/Sustainable Fairfax collaborative has estimated program costs as follows:

Fairfax Water Conservation Program (FWCP) Budget Estimate

<u>Amount (est)</u>	<u>Program Element</u>
\$160,000	Program Administration
\$10,000	Education: Create marketing materials for Water Warriors volunteers, tabling downtown, posters, mailers, emails
• <u>\$83,750</u>	Rebates for residential water conservation installations (greywater, rain catch, and water efficient appliances), including <u>Laundry to Landscape, etc.</u>
\$253,750	Total (est)

A draft Water Conservation Program Proposal is attachment B to this Staff Report. A letter from the Marin Municipal Water District to Sustainable Fairfax on this topic is Attachment C to this Staff Report.

- Staff has initiated acquisition of storage and distribution facilities in the Corporation Yard to allow the use of tertiary-treated recycled water (<https://www.marinwater.org/recycledwater> -- exempt from the current [water use restrictions](#)) produced at the Las Gallinas Water Reclamation Facility in the Terra Linda area for use in irrigating irreplaceable plant materials (second-growth Redwoods, for example) during the current water shortage and with the intent to make continued use of reclaimed water and harvested rainwater for irrigation, dust control and other non-potable uses the norm rather than solely in times of potable water shortage. The initial phase of this project is expected to cost less than \$10,000 for purchase of tanks, pumps and hoses. Operation and maintenance costs are expected to be less than use of potable water for those purposes costs when such use is permitted.
- Potential collaborative projects with Ross Valley Fire, Marin County Fire and Marin Water to expedite any fire flow improvements to the existing potable water distribution network in Fairfax and vicinity would likely be eligible for ARPA funding. Town participation in something of this nature might require \$200,000 or more.
- Potential collaborative projects with the Ross Valley Sanitary District No. 1 and the Central Marin Sanitation Agency (CMSA) to increase production of and extend distribution pumps and pipelines for delivery of highly-treated reclaimed water into Fairfax. (It should be noted that CMSA is only now beginning to study the feasibility of producing tertiary-treated recycled water at its facility (<https://www.cmsa.us/CMSA%20FY22%20Business%20Plan%20Board%20Approved%207-13-21.pdf>). No basis for estimating Town costs for this kind of project exists at the moment.
- Examine the possibility of utilizing ARPA funds for stormwater conveyance and water quality improvements – potentially in collaboration with the Marin County Stormwater Pollution Prevention Program (MCSTOPPP <https://mcstoppp.org/about/>), the Ross Valley Flood Protection & Watershed Program and Marin County Flood Control & Water Conservation District (<https://www.marinwatersheds.org/creeks-watersheds/ross-valley-flood-protection->

[watershed-program](#)), and neighboring jurisdictions. A preliminary estimate of capital costs is \$100,000.

- A program to repair or replace water mains, services, sewer mains and laterals, and storm drainage piping resulting in renewed infrastructure as well as street and sidewalk repairs and upgrades would also likely be eligible. A collaboration with the Ross Valley Sanitary District and Marin Municipal Water District to accomplish something like this in Fairfax would be expected to cost from \$100,000 to the entire \$1.8 million.

While a detailed analysis has not been performed, no reasonably foreseeable adverse environmental impacts associated with the recommended expenditures have been identified by staff.

Staff has identified several alternative courses of action for Council's consideration. Two of those are:

- A. Council may wish to continue to accumulate potential projects and programs for funding under the ARPA, collaborating with neighboring jurisdictions to identify priorities and better leverage Fairfax's sensibilities and priorities into the FY 22/23 budget process having more permanent staff in the Town Manager and Public Works Director roles.
- B. Council may wish to appropriate some funds now to build momentum on collaborative or other projects that are stalled or warrant funding in the short-term for other reasons.

FISCAL IMPACT

No fiscal impact has been identified with Council's receipt of this report. Appropriation of any of the already programmed \$900,000 in the adopted budget will have no change in fiscal impact.

RECOMMENDATIONS

Receive report and presentation
Questions of Staff
Public comment
Discussion and direction to staff

ATTACHMENTS

- A. Terms and Conditions for ARPA Funds
- B. Preliminary proposal outline, Fairfax Renewable Energy Coop
- C. Draft Water Conservation Program proposal
- D. Letter from Marin Municipal Water District to Sustainable Fairfax on Water Conservation Proposal

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS LOCAL FISCAL RECOVERY FUND
AWARD TERMS AND CONDITIONS

1. Use of Funds.
 - a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
 - b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.
2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipient may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.
3. Reporting. Recipient agrees to comply with any reporting obligations established by Treasury as they relate to this award.
4. Maintenance of and Access to Records
 - a. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
 - b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.
 - c. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.
5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.
6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.
7. Cost Sharing. Cost sharing or matching funds are not required to be provided by Recipient.
8. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. Compliance with Applicable Law and Regulations.

- a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.
- b. Federal regulations applicable to this award include, without limitation, the following:
 - i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
 - v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.
 - viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - ix. Generally applicable federal environmental laws and regulations.
- c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
 - i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;

- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
 - iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
 - iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
 - v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.
10. Remedial Actions. In the event of Recipient's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.
11. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
12. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
13. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."
14. Debts Owed the Federal Government.
- a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.
 - b. Any debts determined to be owed the federal government must be paid promptly by

Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.

15. Disclaimer.

- a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.
- b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

16. Protections for Whistleblowers.

- a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
- b. The list of persons and entities referenced in the paragraph above includes the following:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Treasury employee responsible for contract or grant oversight or management;
 - v. An authorized official of the Department of Justice or other law enforcement agency;
 - vi. A court or grand jury; or
 - vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.

PRELIMINARY OUTLINE OF PROPOSAL FOR USE OF ARPA FUNDS AS SEED FUNDING FOR A FAIRFAX RENEWABLE ENERGY COOP

This is a preliminary overview of a proposal endorsed by the Fairfax Climate Action Committee. Considerable detail will be worked out during the next month, in cooperation with Town Staff, for presentation to Town Council for consideration.

Rationale and Qualification under ARPA

During the comment period to the Climate Action Plan, we received a number of comments noting the difficulties of retirees and others with fixed or low income to make needed investments into improving climate footprint.

As noted in the Federal Register, it is an acceptable use of the American Rescue Plan Act (ARPA) funds to provide weatherization, utility, and other assistance to low- and moderate-income residents of our town.

ARPA provides the Town of Fairfax a unique opportunity to serve the needs of its economically disadvantaged residents in service to them, and the climate, in a unique and sustainable way.

Overview of the opportunity

We propose to use \$160,000 of the ARPA money to cover certain administrative costs, and as matching grants for the launch of a Town of Fairfax Renewable Energy Co-op (FREC). We recommend that the FREC be ultimately managed by the non-profit organization Sustainable Fairfax (SFX), with initial partnerships as outlined below.

The essence of the FREC is that it would take investments of Town Residents and match them with funds from the ARPA. The funds would be used to invest in small solar energy or energy efficiency projects that would be deployed to the residences of Fairfax who qualify as low- or moderate-income residents. The resident would pay the FREC out of the savings the project gives them, with an option for the property owner to purchase the system if they desire to do so at some point.

The revenues would be distributed proportionately to the investors, including the FREC (that is, since 50% of the original funds would come from the ARPA, 50% of the revenues would be paid back to the FREC, with the remainder distributed to the Town of Fairfax resident investors).

This plan

- allows Resident investors to receive a small return on their social impact investment in the climate and their neighbors;
- allows low- and moderate income residents of the Town of Fairfax to become part of the clean energy movement;
- allows the Town to show its residents that, not only does it ask of us to make investments towards our Climate Goal, but also that we will invest in them;
- allows the Town of Fairfax to walk the talk in terms of social equity;

- allows the Town of Fairfax to establish a sustainable method by which the Residents of the Town can invest in increasing amounts of renewable energy projects;
- allows the Town of Fairfax to make progress towards its Climate Neutrality Goal.

Proposed Project Partners

The primary manager of the project could be Sustainable Fairfax, in partnership with the Town's CAC. For many years, the Town has successfully partnered with Sustainable Fairfax to implement critical elements of our Climate and other Sustainability Goals.

We could also partner with [People Power Solar](#) (PPS). This organization, located in Berkeley, California, specializes in developing solar coops by bringing together local investors and deploying small systems for the benefit of low- and moderate- income people. PPS will provide needed administrative and technical services to FREC for at least one year. In addition to providing the needed services, PPS will help Sustainable Fairfax to build its capacity to take over program administration within 2-3 years of project launch. PPS would be paid a reasonable fixed fee for each system they administer.

We could also partner, as needed, with [Sustainable Economies Law Center](#). This law firm helped People Power Solar to create its structures, and we could potentially work with them to develop the FREC structures, thus accelerating the pace at which the FREC would become self-sufficient.

Finally, we would partner with one or more local solar installers. We would look to develop somewhat standard systems for installation, so that we are able to maximize production while minimizing costs at least partly because of the ability to purchase in bulk, and to avoid the need for extensive design services to tailor each installation.

We would work with the Town's Planning and Public Works departments to reduce permitting costs and time, because of the standardized nature of the installations.

Further Development of the Concept

The simple framework outlined above will be fleshed out further. Ideas considered by CAC have included financial and legal structures that would offer the greatest economy and tax advantage, and structures that would be simpler to explain and understand. There is the question of what energy and efficiency improvements should be included in those qualifying, and what parameters should govern the qualification and selection of projects. If Council finds the general idea of a local cooperative worthy of further exploration, CAC looks forward to working with Staff, including the Finance Department, in the design.

FAIRFAX WATER CONSERVATION PROGRAM PROPOSAL*

August 27, 2021

Submitted by:

Nina Luttinger, Sustainable Fairfax
Laura Vernon, Sustainable Fairfax
Stephanie Hellman, Town of Fairfax Vice Mayor
Walter Vernon, Chair, Fairfax Climate Action Committee

Supported by:

Board of Directors, Marin Water
Fairfax Climate Action Committee

***A Note on the Proposal:** *This proposal is specifically for the Town of Fairfax's program with the hope it will serve as a draft model for other towns in the water district to duplicate, and customize to reflect individual town priorities. The thinking here is that by working together using similar program structures, we can exponentially increase our collective capacity to meet the necessary water use reduction goals.*

The following was developed in collaboration with the Marin Water Conservation Mgmt department.

THE WATER EMERGENCY

The water supply for the town of Fairfax, California is vastly diminished due to drought. With roughly 7,500 inhabitants, Fairfax uses an estimated 939,672 gallons of water per day (based on district-wide per capita consumption from Marin Water). Precipitation in the 2021 winter season yielded a mere 38-40% of the average. The local system of reservoirs, which supplies 75% of the county's water, are at 42% of capacity (as of 7-19-21) compared to the average 81% of capacity for this time of year (source: Marin Water). Marin Water typically gets the remaining 25% of its needs from contracts with Sonoma's Russian River supply. But this year, Sonoma is also under drought and is not contracting any of its water out of the county.

Projecting an inadequate supply of water in its reservoirs, Marin Water is examining the possibility of pumping water through a pipeline across the Richmond Bridge (as they did for a previous drought many years ago) and is also considering the construction of a costly desalination plant. Before significant time- & cost-intensive construction projects are undertaken, new and innovative ways to conserve and reuse water are needed. As climate change models predict ever hotter and drier conditions in this region, more must be done to increase water conservation in Fairfax and across the entire County—not just to meet human needs but also to provide a secure supply for the entire ecosystem. Doing so will create better long-term climate resilience in the face of worsening conditions.

Marin Water offers a broad spectrum of different conservation strategies and programs to increase water awareness and reduce water demands. The current call to action to address this historic drought is a 40% district-wide reduction in water demands. But the utility cannot offer very personalized attention to its 191,000 users (61,000 accounts) spread across 11 towns. Their approach is generally to offer a suite of

different conservation options and to respond to interested parties. To help meet its ambitious goal, the Fairfax Water Conservation Program can take a localized, focused effort to reduce water demand through a combination of education, outreach, and rebates that dovetail with Marin Water's programs.

PROGRAM PROPOSAL

The Fairfax Water Conservation Program (FWCP) aims to build on the programs offered by Marin Water to dramatically increase the adoption of water conservation strategies among the residents and businesses of Fairfax, and beyond. By building a successful and effective system for streamlining adoption, we will create a model that could expand across the water district, and perhaps Marin County and the entire state. This pilot program would be an extremely localized and hands-on approach that provides direct interaction with residents and businesses—in critical ways that Marin Water does not have the bandwidth to support in the timeline dictated by the emergency drought situation.

While this program is focused exclusively on Fairfax, it is created with extensibility to other towns in mind. There is an opportunity for each town to embrace water conservation strategies and provide the benefits of a networked community to share ideas/strategies/resources/marketing materials that can help meet our collective goals and create more resilient conditions for an uncertain future.

The Fairfax Water Conservation Program ("FWCP") will fundamentally be structured to coordinate and manage a neighbor-helping-neighbor approach using a team of trained volunteers -- a "Water Warrior" Corps—that will assist with home water audits, engage directly with residents and businesses to facilitate adoption of conservation measures, help with low-water use garden ideas and more. To date, there has already been interest in the community to participate. In addition, the program will offer rebates for conservation measures (e.g. greywater, rainwater catchment) that will further enhance adoption.

Water Conservation Strategies

The goal of this program is to build on Marin Water's effective conservation measures by creating higher adoption rates in our town. This will help the District meet its ambitious goal of a 40% reduction in water consumption across the region. Using a very hands-on, personalized and highly localized approach that is not possible from a large water utility company, we will focus on 6 program areas:

1. **Greywater** (or graywater) is relatively clean waste water from approved and appropriate appliances, bathroom sinks, baths/showers, and washing machines. Reusing greywater for irrigating gardens directly reduces the consumption of limited potable water supplies. Various methods can be used to collect greywater, including very low tech solutions like placing buckets in showers to capture water, basins in kitchen sinks to capture water from rinsing vegetables or washing dishes, and outdoor showers that drain to non-edible gardens; to higher tech solutions such as Laundry to Landscape valves that divert washing machine water to the garden, and complex whole house systems. Such systems can range in cost from free to several thousands of dollars, depending on site conditions.

A California study in 2012 found that installing greywater systems saved 17 gallons / day per person (14,565 gallons a year) or 68 gallons per household for a family of 4. Using greywater also reduces energy consumption, as the water is not pumped from supply to the household (pumping water is actually a significant source of California's carbon / energy footprint).

FWCP Actions: *The FWCP will proactively reach out to residents and businesses, providing education, home consultations provided by the Water Warriors team, information on eligible greywater-related rebates, discounted materials and/or delivery of MW materials, and workshops. Locations that require a more indepth assistance will be directed to MW or other valuable resources.*

- Rainwater Harvesting** entails the collection of rainwater, rather than allowing it to run off. Rainwater is collected from roofs and channeled to a tank or cistern, where it can be used for irrigation or toilet flushing. This reduces the need to use potable water for things that don't need potable water. It also reduces overall carbon footprint by reducing the need to pump water to the home. The general rule of thumb is that for every 1,000 sf of rooftop, one can collect about 600 gallons *per 1" of rainfall* (Fairfax's rainfall is roughly 32"/year, which means a 1,000 sf rooftop could generate 600x32=19,200 gallons). For example, in Japan a big sports stadium collects rainwater for toilet flushing. The Frankfurt Airport in Germany collects rainwater for irrigation and toilet flushing. An organization in Virginia uses rainwater from the roof of a laundry facility in the washing machines.

FWCP Actions: *The FWCP will proactively reach out to residents and businesses, providing education, home consultations provided by the Water Warriors team, rainwater-related rebates, discounted materials and/or delivery of MW materials, and workshops.*

- Home Conservation Strategies** include many efforts focused on getting people to consider every gallon of water used in the home—from doing dishes, to using appliances with water in mind, to limiting showering, to reusing water wherever possible and most importantly educating customers on how to read their water meter to check for leaks and further understand their water use. Ideally, we can get people thinking about their water use with the same level of intention as they think about trash and recycling.

FWCP Actions: *A team of volunteer Water Warriors will provide free home consultations, sharing and delivering water conservation tools directly to the home, assisting users in accessing MW resources like turf conversion to low water use plant material, greywater strategies, low flow showerheads, high efficiency toilets, composting toilets, and more.*

- Low-Water Use Gardening** can significantly reduce water consumption for each water account. Water use in the region doubles during the summer months due to irrigation, which demonstrates the opportunity to obtain long term water savings as a result of converting high water use plants to drought tolerant, low water use plant material. Strategies include using efficient irrigation solutions, site management, transitioning to water efficient plants and how to keep them alive during droughts, and are all opportunities to educate and inform residents of ways to save water while maintaining a beautiful landscape.

FWCP Actions: *The program proposes to again, use a neighbor-helping-neighbor strategy (Water Warriors team) to share knowledge and resources on gardening during times of drought. For many gardeners, this will be an incredibly useful service.*

- Reducing Consumption Among Large Local Commercial/Institutional Users**

Large commercial & institutional users of water include Recreational Facilities, Restaurants, Laundromats, Car Washes, and Schools. Such businesses are inherently preoccupied with their operations and finances and have very few resources to consider exploring new processes and equipment.

FWCP Actions: *Our program will reach directly out to decision makers at these businesses, connect them to Marin Water’s conservation options, and help them outline a plan for reducing water consumption (working in conjunction with Marin Water as needed). Wherever possible, we will facilitate the adoption of rainwater harvesting and other water saving equipment available through Marin Water’s rebate programs.*

- 6. Turf Removal** is a priority MW conservation measure that incentivizes homeowners to remove high water demand grass lawns from their properties. Currently, Marin Water pays customers \$3/sq ft for turf removal. It is estimated that every square foot of grass removed results in 24 gallons per year saved. So a property that removes 1,000 sq ft of grass saves 24,000 gallons per year.

FWCP Actions: *The FWCP marketing and educational materials will encourage residents to take advantage of MW’s program and socialize the idea that green lawns are out of favor. Much of our efforts in this component will rely on increasing public awareness about MW’s generous incentives, its Mulch Madness Program, and the huge impact turf removal has on water savings. After lawn removal, the Water Warriors will assist with low water garden ideas and support them as part of the Low-Water Gardening program component.*

The program will include:

- **Education and Home Consultations:** The Water Warrior Corps will be a core mechanism to do home consultations, regular tabling downtown and help community members reduce water use. The program will use social media, mailers and posters, promote monthly online zoom webinars, and create a Resource List of Qualified Local Contractors who have installed water conservation systems (greywater, rainwater catchment, etc).

Our team will visit households and provide a simple report detailing various water conservation measures, including specific rainwater catchment and greywater options (from simple things like using buckets in the shower and basins in the kitchen sink for use on gardens, to more involved strategies that require plumbing like outdoor showers that drain to non-edible gardens, rainwater catchment, etc). With good followup and facilitating connections to contractors and equipment, we will aim to get very high adoption rates.

- **Rebates** for water conservation equipment, including greywater, rain catchment, water flume meters, etc. These would be additional rebates beyond what Marin Water offers, that would make adoption even easier for residents.
- **Outreach to Businesses/Institutions** to educate them about Marin Water’s conservation options, connect them to MW resources/rebates, and provide logistical support for implementation if needed
- **Demonstration Projects / Garden Tours** to show real examples in the community.
- **Evaluation & Tracking** program impacts, water warrior site visits, including # installations, estimation of water saved (and money saved by the participant)

PROGRAM GOALS (see attached Impact Projections worksheet)

- Increase residential, commercial & institutional adoption of water conservation strategies to 30% of Fairfax customers employing at least one method.
- Increase public awareness of water conservation strategies to 80%.
- Free home consultations for at least 20% of households (670 of the 3,350 households)
- Reduce water consumption in Fairfax by at least 20 million gallons per year.
- Become a pilot program that becomes more widely adopted throughout Marin County and the rest of California. Make materials available to facilitate the adoption of our program.

PROGRAM BENEFITS

- Save at least 20 million gallons of water per year in Fairfax per year (assumptions provided below).
- Save at least 255 millions of gallons of water in lifetime savings.
- Increase public awareness about the need for water conservation & greywater adoption
- Build a more resilient community to address the likelihood of ongoing water shortages
- Create a more sustainable environment for the wildlife and ecology of our watershed (more water available for environmental releases)
- Create a model for implementing a town-wide action program that can be adopted by other towns in Marin and the rest of the state
- Reduce our Carbon Footprint from reduced need for pumping water
- Help reduce the need for much more costly Richmond pipeline or desalination plant
- Save money (for residents and businesses)
- Create jobs (program personnel and contractors/plumbers/irrigation specialists)

IMPLEMENTATION COMPONENTS (1 year)

Education (ongoing)

- Create a volunteer team of “Water Warriors” trained by MW and other experts who can perform home water consultations and mentor their neighbors
- Regular water conservation zoom webinars to introduce people to strategies and to the new Water Conservation Program (coordinated with Marin Water and other towns; create a master calendar of water conservation educational opportunities)
- Distribute posters and postcards to residents and businesses
- Table at public events such as the Farmers Market, in public space (eg Good Earth)
- Create and distribute a list of local contractors/plumbers/irrigation specialists experienced with greywater and rain catchment installations

Home Consultations & Installations

- Perform free water conservation audits for up to 20% of households in Fairfax (670 households). This is approximately 3 per business day for 12 months.
- Provide rebates for greywater/rain catchment installations, with the goal of getting up to 30% adoption rate of at least one new conservation strategy.
- Proactively drive adoption of Marin Water’s conservation measures among commercial and institutional water users in Fairfax (recreational facilities, schools, town hall); with the goal of getting up to 30% of businesses/institutions adopting at least one new water conservation strategy.

Program Tracking and Evaluation

Throughout the project, our team will evaluate and report on our processes and track progress for public review. Progress reports will be provided to the council regularly. Metrics include:

- Estimated water savings (gallons/year)
- Estimated water savings per lifetime (gallons)
- Determine the community-wide gallons per capita per day reduction
- # households who receive a water conservation audit
- # of people reached with public awareness campaigns through our efforts
- # households who adopt at least one new water conservation strategy
- # of businesses who adopt at least one new water conservation strategy
- Estimated impact on carbon footprint by reducing need for pumped water
- Aggregate cost savings from reduced water bills

TEAM

This program will be managed by Sustainable Fairfax, a 501c3 which has implemented various conservation programs for the Town in the past. There will be two full time equivalents (FTEs - or 80 hours of staff time) to run this program:

Program Manager (likely 1 FTE)

- Program administration
- Oversee Field Manager and Communications Manager
- Main liaison with Marin Water and the Town of Fairfax
- Strategic partnerships with state and local agencies, local nonprofits
- Program tracks and reporting

Field Manager (Part time)

- Contractor coordination
- Audit coordination
- Training mentors for home audits
- Works with businesses (e.g., Fairfax Lumber, The Backyard Farmer) on conservation supplies

Education & Communications Manager (Part time)

- Social media and outreach
- Event coordination
- Creation of educational materials: emails, posters, postcards, etc
- Strategic partnerships with state and local agencies around messaging and education

RESOURCES REQUIRED

Personnel: up to 1.5 FTEs

Funding (includes personnel): Estimated \$253,750 per year. Request minimum seed funding of \$100,000 to cover initial 6 months to hire key coordinators to set up systems, begin communications / outreach and core elements of program).

STRATEGIC PARTNERS

- Sustainable Fairfax
 - Program management
 - Contracted staff
 - Implementation
 - Quarterly reporting to town

- Town of Fairfax
 - Secure funding and allocation
 - Review quarterly reports from program manager
 - Partner with Sustainable Fairfax, and MW on outreach and solutions for high consumption institutional users
 - Permitting process (where applicable)

- Marin Water
 - Program Support (marketing, webpage support for customized pages),
 - Training Field Manager [who in turn will train Water Warrior Corps]
 - Water data tracking support
 - Report on program participation in Fairfax (monthly)
 - Water conservation supplies (e.g.hose end nozzles, low flow hardware, buckets)

- Local Water Conservation Resources and Expertise
 - Greywater Action
 - Backyard Farmer, Fairfax Lumber (to provide bundles and material support)
 - Local Contractors
 - Marin County Health Department
 - WaterNow Alliance
 - Daily Acts

Potential Water Savings Opportunity In Fairfax

	Lifespan (yrs)	% of accounts adopting	# participants (3350 Fairfax households or accounts)	Gallons saved/participant/year	Gallons saved across Fairfax / year	Lifetime gallons saved
Greywater Residential	15	20%	670	3,060	2,050,200	30,753,000
Rainwater catchment Residential	10	10%	335	1,468	491,780	4,917,800
Rainwater Large Commercial/Institutional	10	x	5	25,900	129,500	1,295,000
Turf Removal*	20	3.00%	101	24,000	2,424,000	48,480,000
Recreational Facilities	10	See table below for details on business savings	1	x	5,592,962	55,929,616
Restaurants & bars	10	100%	20	35,040	700,800	7,008,000
Laundromats	10	100%	3	63,875	191,625	1,916,250
Other businesses	10	100%	2	29,200	58,400	584,000
Other Conservation Measures? (low flow showers, high efficiency toilets, etc)	10	5-10%	See table below		10,488,388	104,883,875
					22,127,654	255,767,541
*for turf removal, this assumes a 1,000 sf lawn						

IMPACT PROJECTIONS DETAIL

Water Savings Opportunity from Fairfax Water Conservation Program

*Projections developed in collaboration with Marin Water

Conservation Components	Gallons Saved	Assumptions
Greywater	2,050,200	20% adoption of at least one greywater strategy x 17 gallons/day x 180 days of use; awaiting some clarification from Carrie. Cost is from 670 households (20% of town) x \$125 rebates. Divide this in 3 equal parts: greywater, rainwater, and Other Conservation measures
Rain catchment residential	491,668	assuming 10% of households (335 households) put in a 850 gallon tank x 1.7 multiplier [source: Marin Water];
Rain catchment Town Hall & Schools, Pavillion, School Plaza	129,500	must discuss with schools. \$3500/tank x 15 tanks (5 sites w 3 tanks each). Town Hall/Fire/Police bldgs, White Hill School, Manor School, Pavillion, School Plaza bldgs. Marin Water will give \$1,000 per site. We will not offer rebates to institutional/businesses.
Other measures per education (eg high efficiency toilets, turn off shower valve, low flow showerheads, etc)	9,510,188	assumptions below

Turf Removal	2,424,000	15% adoption rate (75 sites total) of the 15% of sites that are eligible, 24 gal/sqft/yr x 1000 sf/site [source: Marin Water]
Recreational Facilities	5,592,962	20% reduction off one huge user plus 20% reduction from additional recreational facilities
Restaurants & bars	700,800	20% reduction among the town's 15 restaurants and 5 bars
Laundromats	191,625	20% reduction; 3 laundromats
Other businesses	58,400	assumes 20% reduction, (eg car wash/hot tub place), based on ballpark estimate of 400 gallons/day used
TOTAL	21,149,342	

Assumptions

Restaurants	480	gallons water used per restaurant per day assumes 24 gallons per seat per day x 20 seats/resto
	9,600	gallons per day for all restaurants & bars, assuming 15 restos + 5 bars
	3,504,000	gallons per year consumed, assuming 15 restos & 5 bars in town
	700,800	gallons saved per year, if we reach 20% savings across all restos & bars
Laundromats	875	gallons of water per day, per laundromat, assuming 25 loads per day x 35 gallons/load (an industry veteran estimated a much higher volume -- minimum of 2,000 gallons per day)
	319,375	per year
	958,125	annual water consumption by 3 laundromats (multiply above x 3)
	191,625	gallons saved, assuming a 20% reduction

Other conservation measures undertaken by residents

High efficiency toilets	2,690,050	gallons saved per day, assumes 10% adoption rate so 335 households; assuming average toilet here is 3.5 gallon/flush. assuming it might save 2.22 gallons/flush to convert to a high efficiency x 10 flushes/day = 22 gallons per house per day). 7370 gallons/day saved/town if 10% adoption rate
Low flow showerheads; reduced shower time	4,707,588	assumes 10% adoption, 335 houses; from 2.5 gpm to 1.2 gpm = 1.3 gpm saved x 10 min shower = 13 gallons/shower x 2 people/household = 26 gallons/day/household. 8710 gallons per day saved/town if 10% adoption. Plus 10% of pop who will reduce shower time from 10 to 5 minutes (2.5gpm x 5)=12.5 gallon x 335 = 4187 gallons/household/day x 365
Turn off valve at shower for pausing while soaping	609,550	2 mins x 2.5 gallons/minute = 5 gallons per shower x 2 showers/household per day = 10 gallons/day; assuming 5% adoption rate so 167 households x estimated 10 gallons/day per house saved
Changes in landscaping (not turf removal)	1,503,000	assumes irrigation is 180 days; daily gallons saved, assuming 5% adoption rate, 167 households, assuming reduction of 50 gallons per day irrigation; changes in watering schedule, changes in plant species towards more drought tolerant; MW comment: I think you could get a 50% reduction in landscape water use through adjustments in schedule to comply with the current landscape restrictions.
TOTAL	9,510,188	

Residential Home Consultations Calculation

	670 homes (20% of homes) in 1 year will take at least one new conservation measure
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	56	homes visited per month x 12 months
	14	homes visited per week
	3	per business day
		achievable if avg audit is 60 minutes; plus we have to factor in business outreach
Potential District-Wide Impact (not included in figures above)		
Another impact might be that the other 10 towns included in the water district might adopt our model	155,563,808	gallons of water saved per year, if adopted by 10 other towns (this is <u>in addition</u> to our town's 20 million gallon savings)
Most are bigger than Fairfax, but assume they are about the same, to be conservative		assuming savings would be the same as ours x 10 additional towns; I took out the golf course number, since most towns do not have one (although Mill Valley does); of course San Rafael (pop. 58k) is nearly 8x bigger so the savings would be quite a bit larger



August 20, 2021

Laura Faye
Nina Luttinger
Sustainable Fairfax
69 Bolinas Road
Fairfax, California 94930

Dear Ms. Faye and Ms. Luttinger,

We were so pleased to learn about the Fairfax Water Conservation Proposal to reduce water consumption among the residents and businesses of Fairfax. On behalf of the entire Marin Water Board of Directors, I'd like to convey our strong support for the program. The strategy of increasing education, engaging directly with residents & businesses, and offering rebates to drive higher adoption rates of conservation measures in Fairfax will benefit the region as a whole.

The District looks forward to formalizing a partnership through a contract, which will clearly define roles and responsibilities needed to implement the Fairfax Water Conservation Program. The District will assist with training volunteers to conduct home water audits, support webinars and promotional materials to educate the community about the benefits of water conservation. We will also cross promote the Fairfax Water Conservation Program on the Marin Water website and work in collaboration to determine how best to administer the two separate rebate programs to maximize efficiency in processing the applications.

Once again, thanks to Sustainable Fairfax for developing this initiative. We look forward to working with you in reducing water consumption in Fairfax and creating a model for adoption by other local cities and towns.

Sincerely,

A handwritten signature in black ink that reads "Cynthia Koehler".

Cynthia Koehler
Board President
Marin Water

ATTACHMENT D