

**CITY OF SIMI VALLEY**  
**MEMORANDUM**

April 26, 2010

**TO:** Board of Directors, Ventura County Waterworks District No. 8

**FROM:** Department of Public Works

**SUBJECT:** AUTHORIZATION TO SOLICIT BIDS AND APPROVE A WATERWORKS DISTRICT SUPPLEMENTAL BUDGET REQUEST FOR SMART IRRIGATION CONTROLLER PURCHASES

**RECOMMENDATION**

It is recommended that the Board of Directors:

1. Authorize the Department of Public Works to solicit bids for the purchase of smart irrigation controllers and authorize the District Manager to negotiate and award a contract not to exceed \$222,000;
2. Approve a Supplemental Budget Request (page 4) in the amount of \$222,000 to fund the purchase.

**BACKGROUND AND OVERVIEW**

The Metropolitan Water District (MWD) has approved a Locally Implemented Program grant for the purchase of smart irrigation controllers. The project will be implemented in partnership with the Calleguas Municipal Water District (Calleguas). MWD is offering a rebate of \$25 per station, up to a maximum of \$24,000. Calleguas is offering a rebate of \$25 per controller, up to a maximum of \$5,000. Based on the quantities currently being proposed, the City would be eligible for a \$24,000 rebate from MWD and a \$2,125 rebate from Calleguas.

A "smart irrigation controller" is an electronic irrigation control device that automatically adjusts watering frequency and duration in response to weather data and/or plant and soil moisture demand. A sophisticated controller system monitors weather data such as rain, wind, temperature, and humidity and compares it to demand conditions such as soil moisture, plant type, and evapotranspiration rates to calculate the amount of water needed at that time. Weather data can be real-time, provided by linking to a weather-reporting source (usually via an internet connection), or by using historical weather trends to approximate seasonal watering demand. Smart controllers that employ real-time weather monitoring provide optimum water conservation by adjusting to actual climate conditions.

## FINDINGS AND ALTERNATIVES

Utilizing a smart controller generally reduces a site's irrigation demand by approximately 20%. Smart controllers are proven water management tools that can also yield essential water use data when equipped with flow sensors. This additional data is fundamental to enhancing community conservation.

To meet the grant requirements, all purchases and grant submissions must be completed by May 31, 2010. Using smart irrigation controllers will save water consumption and save money on the water conserved. The Landscape Maintenance District has 249 irrigation controllers within its service area, of which 81 are already smart controllers.

Staff recommends purchasing 85 smart controllers and one weather station. Public Works staff will perform the installations. The Waterworks District would be eligible for a \$24,000 rebate from MWD and \$2,125 rebate from Calleguas. The estimated capital cost is \$222,000. The ongoing annual operational cost (internet monitoring) is \$10,200 (\$10 per month per controller). The net capital cost would be \$196,000 (\$222,000 less the \$26,125 rebate). Based upon the 20% water savings, the estimated net savings for the cost of water is \$40,600 per year.

A Supplemental Budget Request (page 4) in the amount of \$222,000 is recommended for approval to fund the smart controller and weather station purchase. The source of these funds is the Waterworks Operations Fund, which has an adequate uncommitted working capital balance and is customarily used to fund equipment purchases as needed. It is estimated that the bid for smart controller equipment purchases will exceed \$100,000. Therefore staff is also recommending the District Manager be authorized to negotiate and award a contract not to exceed \$222,000 in order to expedite the purchase and allow the District to meet the grant deadline of May 31, 2010.

The following alternatives are available for the Board of Directors consideration:


1. Authorize the Department of Public Works to solicit bids for the purchase of smart irrigation controllers and authorize the District Manager to negotiate and award a contract not to exceed \$222,000;
2. Approve a Supplemental Budget Request (page 4) in the amount of \$222,000 to fund the purchase;
3. Do not approve the smart irrigation controller purchase at this time;
4. Provide staff with further direction.

Staff recommends Alternative Nos. 1 and 2.

## SUMMARY

The Metropolitan Water District (MWD) has approved a Locally Implemented Program grant for the purchase of smart irrigation controllers. The project will be implemented in partnership with the Calleguas Municipal Water District (Calleguas). The maximum MWD grant amount is \$24,000, with the grant rebating \$25 per irrigation station (zone) for Commercial, Industrial, and Institutional uses. Calleguas has agreed to further rebate the Waterworks District an additional

\$25 per controller, up to maximum of \$5,000. Staff proposes to purchase 85 smart controllers and one weather station for installation by Public Works staff. Staff recommends the Board of Directors authorize the Department of Public Works to solicit bids for the purchase of smart irrigation controllers, authorize the District Manager to negotiate and award a contract, and approve a Supplemental Budget Request (page 4) in the amount of \$222,000 to fund the smart controller purchase.

*for*   
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Ronald K. Fuchiwaki, Director  
Department of Public Works

## CITY OF SIMI VALLEY SUPPLEMENTAL BUDGET REQUEST

REQUESTING DEPARTMENT	FUND AMENDED	FUND NO.
Public Works	Waterworks District No. 8 Operations Fund	761

**REVENUES**

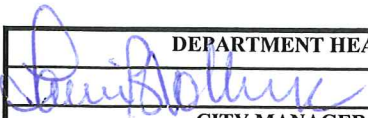
	ACCOUNT NUMBER	CURRENT BUDGET	PROPOSED AMENDMENTS	AMENDED BUDGET
	761-4640-36601	\$0	\$26,125	\$26,125
				0
				0
				0
				0
<b>TOTAL</b>		<b>\$0</b>	<b>\$26,125</b>	<b>\$26,125</b>

**EXPENDITURES**

	ACCOUNT NUMBER	CURRENT BUDGET	PROPOSED AMENDMENTS	AMENDED BUDGET
Smart Irrigation Controller Equipment	4640-44310	\$309,100	\$222,000	\$531,100
				0
				0
				0
Transfer from Waterworks Operation Fund Balance				0
Fund Balance/Working Capital - \$8,544,128				0
				0
				0
				0
				0
				0
				0
				0
				0
<b>TOTAL</b>		<b>\$309,100</b>	<b>\$222,000</b>	<b>\$531,100</b>

**PURPOSE**

To increase FY 2009-10 budget authority for the purchase of water irrigation control equipment from \$309,100 to \$531,100 by the Board of Directors on April 26, 2010.

	DATE	ADMINISTRATIVE SERVICES	DATE
CITY MANAGER	4/22/10	ENTERED BY	DATE