



DATE: April 14, 2020

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Transfer and Appropriate Funds from Water Fund to Recycled Water Feasibility Study Update, Project 18-71**

RECOMMENDATION

1. Transfer and appropriate \$54,000 from the Water Fund to Recycled Water Feasibility Study Update, Project 18-71. (Five votes required)
2. Authorize the City Manager to reimburse the Water Fund with future State Water Recycling Funding Program grant funding up to \$75,000.

BACKGROUND

In 2018, the City contracted with Carollo Engineers to update the 2012 recycled water distribution system model to estimate consumption and determine optimal pipe sizing, pumping, and storage needs. The update includes incorporating the impact of the adopted dual plumbing ordinance and a number of significant land use changes that will increase the projected recycled water use. This update will also evaluate the feasibility and cost of expanding the recycled water distribution system, including an extension through the NASA properties to the East Whisman Precise Plan area.

The Water Recycling Funding Program (WRFP), a program of the California State Water Resources Control Board (SWRCB), provides grants to assist public agencies conducting planning studies to determine the feasibility of using recycled water to offset the use of fresh/potable water from State and/or local supplies. On June 25, 2019, the City Council adopted Resolution 18371, authorizing staff to apply for a WRFP grant that would cover up to 50 percent of the eligible costs, via reimbursement, up to a maximum of \$75,000 in grant funds. On February 26, 2020, the SWRCB issued formal approval for a grant agreement with the City.

At the June 25, 2019 meeting, the Council also authorized the City Manager or his designee to amend the existing professional services contract with Carollo Engineers to

add \$54,000 for engineering services through June 30, 2020, for a total contract amount of \$165,000.

ANALYSIS

State grants frequently specify a time frame during which expenses can be incurred to be eligible for reimbursement. Following the grant application, staff chose to delay amending the professional services agreement and expending additional funds until receiving a determination of grant eligibility. As the grant has now been formally approved, staff will proceed with amending the professional services agreement. Because of the longer-than-anticipated time to obtain grant approval, staff will extend the term of the agreement through December 31, 2021. The significant project milestones are:

Model update project begins	May 2020
Model update project complete	March 2021
SWRCB approval of update for grant reimbursement	August 2021
Update findings presented to Council	October 2021

FISCAL IMPACT

The project is currently funded with \$140,000 from the Water Fund. Staff is requesting authorization to transfer and appropriate \$54,000 from the Water Fund to the Recycled Water Feasibility Study Update, Project 18-71, to set aside the necessary funding for the updated contract amount, with the WRFPP reimbursing the City up to a maximum of \$75,000 once the study has been completed. If the appropriation increase is approved, the total project budget will increase to \$194,000 and include the following items:

Professional Services	\$150,000
Contingency	<u>15,000</u>
Subtotal	165,000
Staff Project Management	15,000
City Administration	<u>14,000</u>
Total	<u>\$194,000</u>

There are sufficient funds in the Water Fund for the requested transfer.

ALTERNATIVES

1. Do not supplement funding and direct staff to reduce scope of work.
2. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

Prepared by:

Jason Chou
Senior Civil Engineer

Reviewed by:

Nirmal Sajjan
Principal Civil Engineer

Gregg A. Hosfeldt
Assistant Public Works Director

Approved by:

Dawn S. Cameron
Public Works Director

Audrey Seymour Ramberg
Assistant City Manager/
Chief Operating Officer

JC/CL/6/CAM
949-04-14-20CR
200226

cc: SCE – Chou, PCE – Sajjan, APWD – Hosfeldt, APWD – Arango, SMA – Doan,
SMA – Goedicke, PA – Li