



DATE: June 10, 2014

CATEGORY: Consent

DEPT.: Community Services

TITLE: **Increase Appropriations for Water Costs in the General Fund Reserve, Shoreline Golf Links, Shoreline Regional Park Community, and Solid Waste Management Funds**

RECOMMENDATION

Recommend the following actions to fund additional water costs anticipated for the remainder of Fiscal Year 2013-14:

1. Appropriate \$114,000 in the Shoreline Golf Links Fund for the Community Services Department water budget. (Five votes required)
2. Appropriate and transfer \$32,000 from the General Fund Reserve to the Shoreline Golf Links Fund, Community Services Department water budget. (Five votes required)
3. Appropriate \$105,000 in the Shoreline Regional Park Community Fund for the Community Services Department water budget.
4. Appropriate \$36,000 in the Solid Waste Management Fund for the Public Works Department water budget. (Five votes required)

BACKGROUND

The City of Mountain View provides both potable and recycled water to Shoreline at Mountain View Park (Park) for landscape irrigation of the Park and Shoreline Golf Links (SGL). The City first began providing recycled water to the Park in the 1980s until the deterioration of the recycled water main line forced the City to stop delivering recycled water in 2001. Working cooperatively with the Palo Alto Regional Water Quality Control Plant (PARWQCP), the City was able to reestablish recycled water service to the Park in fall 2009. Once the recycled water service was reestablished, the Park began using 100 percent recycled water to preserve potable water and to reduce water costs to the Park and golf course.

In January 2011, the City contracted with Touchstone Golf, LLC (Touchstone), to provide management and operational oversight of SGL. At the time Touchstone took over operations, the golf course's water budget had already been developed based on continued recycled water use. Over time, Touchstone noticed a significant deterioration in the golf course turf due to the high salinity (Total Dissolved Solids—TDS) of the recycled water and recommended the City replace damaged turf and irrigate with a blend of potable and recycled water to reduce salinity levels. The level of TDS in the recycled water provided by the PARWQCP is approximately 960 on average and the maximum level recommended to sustain turf health is approximately 600. In order to reduce the level of TDS, staff began blending potable water with recycled water, thus resulting in increased water costs. In addition, staff changed the allocation of water costs to more accurately align charges. This has resulted in a need to request appropriations from the Shoreline Regional Park Community (Shoreline Community) and the Solid Waste Management (SWM) Funds.

ANALYSIS

Shoreline Golf Links (Shoreline Golf Links Fund)

Touchstone determined that the level of salt in the recycled water was causing significant deterioration of the turf. In addition, current drought conditions also contributed to the damaged turf as the golf course depends on a normal amount of rainfall to help flush the salts down below the root system. Lack of rainfall resulted in staff having to use more potable water for irrigation to flush the salts and prevent further turf damage (Attachment 1). Touchstone replaced the damaged turf with funding provided by Capital Improvement Program Project 13-31, Shoreline Golf Links Improvements. While the turf was being renovated, Touchstone staff switched over to 100 percent potable water use in April 2013 to allow the new turf to establish. Since July 2013, staff has been incrementally increasing the percentage of recycled water each month to acclimate the turf and determine the maximum salinity rate to maintain landscape infrastructure. Staff believes the turf can be maintained at a salinity level of 600 TDS, which equates to a blend of approximately 50 percent recycled water and 50 percent potable water. Turf conditions improved during the growing season of 2014 in large part due to the improved water quality through use of potable water, resulting in increased play on the golf course and numerous compliments from the golfing community. Touchstone Golf is projecting the total number of rounds in Fiscal Year 2013-14 to be at a record high.

The City is currently working in cooperation with the PARWQCP on projects to reduce the levels of salt in the recycled water system. Staff will continue to monitor salt levels

and will increase the percentage of recycled water use as the quality of recycled water improves. Staff has also implemented conservation efforts and decreased Park water usage over the last several months and anticipates an estimated savings of 13 million gallons of water over the same time last year.

SGL's water budget was developed based on the use of recycled water. The potable water rate of \$4.72 per unit is 72 percent higher than the recycled water rate of \$2.75 per unit. The need to use a greater percentage of potable water to rehabilitate and preserve landscape infrastructure at SGL has resulted in water costs exceeding budget by an estimated \$146,000 (Attachment 2). This total includes credits provided to the golf course based on a reallocation of water use within the Park.

Staff recommends Council appropriate the \$114,000 estimated balance in the SGL Fund and appropriate and transfer an additional \$32,000 from the General Fund Reserve (GFR). This would eliminate any year-end transfer from the SGL Fund to the GOF and may increase the supplement needed to bring the GFR to policy level. The Fiscal Year 2013-14 estimated amounts for the SGL and the GOF currently included in the Fiscal Year 2014-15 Proposed Budget document do not reflect these requested appropriation increases or the impact of the transfer to the GOF or the GFR supplement amount needed.

Shoreline Park (Shoreline Regional Park Community Fund)

Shoreline Park and SGL receive water through a shared water system that feeds the irrigation system for the Park, SGL, and Shoreline Amphitheatre. Landfill operations share in the cost of the water as there are areas of the Park outside the golf course and recreational areas that require water for regulatory purposes to keep the ground moist and prevent cracking of the landfill cap.

Historically, water costs were shared between Shoreline Park operations, SGL, and Landfill operations based on a set percentage of 16 percent Shoreline Park, 75 percent SGL, and 9 percent Landfill operations. Staff analyzed the land allocations based on a Geographic Information Systems (GIS) map and determined that Shoreline Park accounted for a greater percentage of land than was previously allocated, changing from 16 percent of the total park area to 29 percent. The percentage for Landfill operations remained the same. The new percentage allocation for water costs is 29 percent Shoreline Park operations, 62 percent SGL, and 9 percent Landfill operations. Staff estimates the increased cost due to use of potable water and the increase in the percentage allocation of water costs will result in expenditures exceeding budget in the Shoreline Community by approximately \$175,000 (Attachment 2). The Community

Services Department is able to absorb \$70,000 of this overage in salary savings and is recommending appropriation of \$105,000 from the Shoreline Community Fund.

Landfill (Solid Waste Management Fund)

Landfill operations are estimated to exceed the water budget by approximately \$36,000 due to the increased use of potable water. The allocation of water costs for Landfill operations based on the GIS mapping remains the same at 9 percent.

Next fiscal year, staff has requested increases to the water budgets for Shoreline Park operations, SGL, and Landfill operations based on an anticipated 50/50 blend of potable and recycled water use. The Community Services Department will continue to work with the Public Works Department to decrease potable water use by increasing the percentage of recycled water use as the quality of recycled water improves and through conservation efforts.

FISCAL IMPACT

Staff recommends Council appropriate the estimated available balance of \$114,000 in the SGL Fund and appropriate and transfer an additional \$32,000 from the GFR to the SGL Fund. This will eliminate the amount previously anticipated and budgeted to transfer from the SGL Fund to the GOF and reduce the GFR balance. Staff recommends \$105,000 in appropriations from the Shoreline Community and there is sufficient funding available in the Shoreline Community to cover the additional expenditures. Staff recommends \$36,000 in appropriations from the SWM Fund and there is sufficient funding available to cover the additional expenditures.

ALTERNATIVES

1. Appropriate \$32,000 from the Shoreline Community instead of the GFR to cover water costs in excess of budget for SGL.
2. Appropriate funds in an amount different than what is recommended by staff.
3. Appropriate funds from a different funding source than what is recommended by staff.

PUBLIC NOTICING – Agenda posting.

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RK/7/CAM
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Attachments: 1. Water Usage Report
2. Water Costs Report