

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW TO
AUTHORIZE PAYMENT OF \$22.0 MILLION (\$22,000,000) TO THE CITY OF PALO ALTO AS A PAY-
AS-YOU-GO CONTRIBUTION TOWARD THE CAPITAL COST OF THE PHASE 1 ADVANCED WATER
PURIFICATION SYSTEM PROJECT (PROJECT) AND ASSUME RESPONSIBILITY FOR THE PAYMENT
OF PRINCIPAL AND INTEREST ON A \$10.5 MILLION (\$10,500,000) LOAN TO BE OBTAINED BY THE
CITY OF PALO ALTO FOR THE PROJECT

WHEREAS, the City of Mountain View is one of six partner agencies in the Regional Water
Quality Control Plant (RWQCP), which is owned and operated by the City of Palo Alto; and

WHEREAS, the Mountain View City Code requires use of recycled water for irrigation in the
Shoreline Regional Park Community and recycled water dual-plumbing for nonresidential
buildings larger than 25,000 square feet Citywide; and

WHEREAS, on May 11, 2010, the Mountain View City Council approved the Palo Alto
RWQCP Recycled Water Salinity Reduction Policy with a goal of lowering the total dissolved solids
(TDS) in recycled water to less than 600 parts per million (ppm); and

WHEREAS, on November 18, 2019, the Mountain View City Council authorized the City
Manager or designee to enter into a Partnership Agreement with the City of Palo Alto and the
Santa Clara Valley Water District (Valley Water) to Advance Resilient Water Reuse Programs in
Santa Clara County—which provided a \$16.0 million contribution from Valley Water toward an
Advanced Water Purification System (AWPS) to reduce the RWQCP’s recycled water salinity; and

WHEREAS, On March 22, 2022, the Mountain View City Council approved an updated
Recycled Water Feasibility Study to expand and to improve the City’s recycled water distribution
system to bring recycled water to new customers in Mountain View and at the adjacent NASA
Ames Research Center at Moffett Field; and

WHEREAS, in 2024, the cities of Mountain View and Palo Alto collectively served 256 million
gallons per year of recycled water to 68 sites for environmental flows, irrigation, cooling, toilet
flushing, and construction use; and

WHEREAS, the City of Palo Alto has obtained a grant from the United States Bureau of
Reclamation’s WaterSMART: Title XVI WIIN Water Reclamation and Reuse grant program for
construction of the AWPS in the amount up to \$12.9 million; and

WHEREAS, the City of Palo Alto has obtained a Clean Water State Revolving Fund loan with a 30-year term and 1.7% interest rate for construction of the AWPS in the amount up to \$56.3 million; and

WHEREAS, on June 27, 2023, the Mountain View City Council authorized the City Manager or designee to negotiate a cost-sharing agreement with the City of Palo Alto for the design, construction, and operation of the Phase 1 AWPS to fund up to 100% of the remaining capital costs as well as operating costs proportional to the volume of recycled water received; and

WHEREAS, following a competitive solicitation, the City of Palo Alto has issued an Intent to Award to the lowest responsible bidder for construction of the Phase 1 AWPS; and

WHEREAS, the Palo Alto City Council is scheduled to consider awarding the Phase 1 AWPS construction contract to the lowest responsible bidder in the amount of up to \$52,010,310; now, therefore, be it

RESOLVED: that the City Council of the City of Mountain View authorizes the City Manager or designee to authorize payment of \$22.0 million (\$22,000,000) to the City of Palo Alto as a pay-as-you-go contribution toward the capital cost of the Project; and be it

FURTHER RESOLVED: that the City Council of the City of Mountain View authorizes the City Manager or designee to assume responsibility for the repayment of principal and interest on a \$10.5 million (\$10,500,000) loan to be obtained by the City of Palo Alto for the Project; and be it

FURTHER RESOLVED: that the City Council of the City of Mountain View authorizes the City Manager or designee to execute Amendment No. 2 to the First Amended and Restated Contract No. C059999 between the City of Palo Alto and the City of Mountain View to allocate cost-sharing for the design, construction, and operations of the Phase 1 AWPS.

EF/1/LL/RESO
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