TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PUBLIC WORKS

DATE: MAY 19, 2008 CMR:249:08

SUBJECT: APPROVAL OF MEMORANDUM OF AGREEMENT WITH THE BAY AREA RECYCLED WATER COALITION REGARDING FEDERAL LEGISLATIVE EFFORTS

RECOMMENDATION
Staff recommends that Council authorize the City Manager or his/her designee to execute the memorandum of agreement (MOA) with the Bay Area Recycled Water Coalition (BAC) for federal legislative efforts (Attachment A) for a grant under Title XVI of the Reclamation Wastewater and Ground Water Study and Facilities Act of 1992 (Public Law 102-575).

BACKGROUND
Title XVI of the 1992 Central Valley Improvement Act (Public Law 102-575) directed the U.S. Bureau of Reclamation (USBR) to form a partnership with Bay Area water and wastewater agencies. The mission of the partnership is to study regional opportunities to maximize water recycling throughout the region. Projects that obtained feasibility approval of USBR are qualified for Federal financial assistance under the umbrella of the Bay Area regional program of Title XVI. The Bay Area regional program started in 1992 with a coalition of 17 agencies. Presently, twelve agencies remain in the BAC. The Palo Alto Regional Water Quality Control Plant (RWQCP) joined the BAC in 1992 and has remained a member ever since. The RWQCP water reclamation master plan has been incorporated into the Bay Area regional program so that RWQCP projects can qualify for Federal grants.

DISCUSSION
The RWQCP began working on the Mountain View/Moffett Area (MVMA) recycled water pipeline project (the first project in its reclamation master plan) in 2002, and obtained USBR feasibility approval of the project in 2006. In a project status report (Attachment A to CMR:350:06), Council was informed that staff would be seeking a Federal grant under Title XVI. Staff’s effort with the BAC in the past few years has come to fruition. In April of this year, both the House and the Senate passed the bill that authorizes Title XVI funding for qualified projects in the Bay Area regional program. A $5 million reimbursement grant was authorized for the MV/MA recycled water pipeline project.

In order to move forward with the appropriation, the BAC needs to formally memorialize its partnership and principles in a MOA. Execution of the MOA by the City of Palo Alto would allow staff to formally work with the BAC to request appropriation of the authorized grant. It also paves
the way for the City to seek Title XVI grant money for future projects, such as the Palo Alto reclaimed water pipeline project. Under the MOA, City agrees to the following:

1. Bay Area Clean Water Agency will serve as the regional organization to request Title XVI authorizations and appropriations for Bay Area recycled water projects.

2. Future Participating Agencies: Any public agency in the nine-county Bay region can join the BAC. An annual meeting will be held in October to invite new Bay Area recycled water project sponsors to participate.

3. Project Priority List: Project readiness will drive the priority process. Each project that is at the same level of development enjoys the same priority status. The size of the project or the congressional district in which the project is located is not a factor.

4. Advocacy: Each participating agency will request that its federal representatives advocate a high priority for the Bay Area recycled water projects regardless of whether or not the agency has a project seeking federal partnership.

5. Costs: Each participating agency project pays an equal share of the outside services costs deemed necessary to support the federal advocacy. (RWQCP’s annual portion is estimated to be approximately $10,000.)

6. Distribution of Funds: Should the amount of appropriations be less than the amount requested in any given year, funds will be distributed proportionate to the amounts requested for each authorized project.

7. Disputes: Resolved by the General Managers or City Managers from Participating Agencies.

8. Termination: Agencies can withdraw from the BAC at end of each calendar year.

The City Attorney’s Office has reviewed the MOA.

**RESOURCE IMPACT**
The RWQCP’s share of the BAC costs is estimated at less than $10,000 for 2008. Costs for future years are expected to decrease. Funds for the RWQCP’s share for 2008 have been appropriated in the wastewater treatment enterprise fund.

**POLICY IMPLICATIONS**
The recommendations of this staff report are consistent with City Council’s sustainability policy.

**ENVIRONMENTAL REVIEW**
Execution of the MOA does not constitute a project under the California Environmental Quality Act. The recycled water projects seeking grant funding will be required to perform the appropriate environmental review process.
ATTACHMENTS
Attachment A: Memorandum of Agreement Bay Area Recycled Water Coalition Federal Legislative Efforts

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