



City of Palo Alto

City Council Staff Report

(ID # 9420)

Report Type: Consent Calendar

Meeting Date: 8/13/2018

Summary Title: Resolution to Apply for Federal Funds for Additional Recycled Water Treatment Facility

Title: Adoption of a Resolution Authorizing the Submittal of a Financial Assistance Application to the United States Bureau of Reclamation for the WaterSMART: Title XVI Water Reclamation and Reuse Projects

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council approve a resolution (Attachment A) authorizing the submittal of a Financial Assistance Application to the United States Bureau of Reclamation for the WaterSMART: Title XVI Water Reclamation and Reuse Projects.

Background

The City of Palo Alto (City) operates the Regional Water Quality Control Plant (RWQCP) for six partner agencies and currently supplies tertiary-treated recycled water to several City-owned parks and facilities, truck-fill standpipes, Caltrans, and the City of Mountain View's North of Bayshore distribution system. Current and potential future recycled water customers have expressed concerns with the quality of the recycled water produced at RWQCP; particularly the level of total dissolved solids (TDS) being too high for irrigation of salt-sensitive species such as the redwood tree. Consequently, in 2010 Council passed Resolution No. 9035, Resolution of the Council of the City of Palo Alto Establishing a Salinity Reduction Policy for Recycled Water. The resolution established a goal of reducing TDS concentrations to below 600 mg/L. Since 2010, the City and its RWQCP partner agencies have significantly reduced TDS concentrations by controlling infiltration of saline groundwater into the sewer collection system. Despite these efforts, TDS concentrations remain above the 600 mg/L goal (2017 annual average was 842

mg/L) and require additional treatment processes at RWQCP to further reduce TDS concentrations and achieve the goal.

In 2017, the City collaborated with Santa Clara Valley Water District and City of Mountain View to complete a feasibility study and preliminary design for an Advanced Water Purification System (AWPS) to be located at RWQCP ([CMR 6458](#)). The Final Advanced Water Purification System Feasibility Study indicated additional treatment through micro- or ultra-filters and reverse osmosis membranes would sufficiently reduce TDS concentrations when blended with the current recycled water to produce enhanced recycled water. A preliminary design (10 percent design level) was completed in December 2017 for a 1.125 million gallons per day (MGD) AWPS that could be scaled up in a second construction phase to 2.25 MGD. In partnership with Santa Clara Valley Water District and City of Mountain View, the City is proposing design completion for the two-phase facility, also referred to as the Advanced Water Purification System, Local Project.

The United States Department of the Interior's WaterSMART Program (Program) provides a framework for Federal leadership and assistance to stretch and secure water supplies for future generations in support of the Department's priorities. Through WaterSMART, the Bureau of Reclamation leverages Federal and non-Federal funding to support stakeholder efforts to stretch water supplies and avoid conflicts over water. Through the Title XVI Water Reclamation and Reuse Program (Title XVI), the Bureau of Reclamation provides financial and technical assistance to local water agencies for the planning, design, and construction of water reclamation and reuse projects that have been congressionally authorized. The Water Infrastructure Improvements for the Nation Act (WIIN) was enacted in December 2016 to address water resources infrastructure that is critical to the nation's economic growth, health, and competitiveness. WIIN expands the Title XVI to allow water recycling projects that have not been congressionally authorized to be eligible to receive Federal funding. The City's Advanced Water Purification System, Local Project has not been congressionally authorized and therefore is eligible for a portion of the current funding opportunity of \$20 million for Title XVI projects authorized under section 4009(c) of the WIIN Act.

Discussion

Staff recommends that Council approve a resolution authorizing the submittal of a financial assistance application for design and preparation of environmental

documentation for the Advanced Water Purification System, Local Project. The application and resolution do not commit the City to accepting funds. Such a commitment would be required if and when the City entered into a grant agreement, a decision that would return to Council for approval if the grant is secured. Additionally, if the Advanced Water Purification System, Local Project is selected for funding and Council approved the grant agreement, the City is required to provide the 75 percent local match. It is anticipated that the local match will consist of staff time and monetary contributions from the City as well as from City of Mountain View and Santa Clara Valley Water District.

To be eligible for this funding, the City is required to submit the attached resolution by August 26, 2018, within thirty (30) days after the application deadline of July 27, 2018.

The purpose of the resolution is to verify:

1. The identity of the official with legal authority to enter into an agreement;
2. The board of directors, governing body, or appropriate official who has reviewed and supports the application submitted;
3. The capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan; and
4. That the applicant will work with United States Bureau of Reclamation to meet established deadlines for entering into a grant or cooperative agreement.

Timeline

Staff intends to apply for the grant by the July 27, 2018 deadline and submit the adopted resolution within thirty (30) days, which is August 26, 2018, as required by the program to complete the application.

Resource Impact

Approving the resolution has no resource impact.

Policy Implications (If Applicable)

Applying for funding does not carry any policy implications.

Environmental Review

Submittal of a grant application with no requirement to accept the grant if approved is not a project under the California Environmental Quality Act (CEQA).

Attachment:

- Attachment A: Resolution Authorizing the WIIN Application for Recycled Water Funding

Attachments:

- Attachment A: Resolution Authorizing WIIN Application for Recycled Water Funding

NOT YET APPROVED

Resolution No. _____

Resolution of the Council of the City of Palo Alto Authorizing the City's Submittal of a Financial Assistance Application to the United States Bureau of Reclamation for The WaterSMART: Title XVI Water Reclamation and Reuse Projects

RECITALS

A. The United States Bureau of Reclamation ("Reclamation") has a funding program entitled "WaterSMART: Title XVI Water Reclamation and Reuse Projects", and pursuant to this program, Reclamation makes funds available for water recycling projects that have a Title XVI-compliant approved Feasibility Study.

B. The City of Palo Alto (the "City") has an approved Title XVI Feasibility Study for its project titled "Advanced Water Purification System, Local Project".

C. The City wishes to complete the application for Title XVI, Water Infrastructure Improvements for the Nation Act (WIIN) funds to cover a portion of the cost of the Advanced Water Purification System, Local Project by submittal of this resolution to the Bureau of Reclamation by the August 26, 2018 deadline (30 days after application package deadline).

D. Reclamation has directed applicants to include in its application an official resolution adopted by the applicant's board of directors or governing body verifying 1) the identity of the official with legal authority to enter into an agreement, 2) the board of directors, governing body, or appropriate official who has reviewed and supports the application submitted, 3) the capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan, and 4) that the applicant will work with Reclamation to meet established deadlines for entering into a grant or cooperative agreement.

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The Council hereby finds that it is in the City and the public's interest in the health, safety and welfare of the community to file the WIIN Financial Assistance Application with Reclamation to seek funds made available under the WIIN Act of Title XVI.

SECTION 2. The City Council has received and supports the completion of the application with this resolution that will be submitted before the 26th day of August, 2018, and finds:

(a) The City has legal authority to enter into an agreement with Reclamation to receive a grant, and

(b) The City is able to provide the minimum 75% non-federal cost share specified in the funding plan for the application.

SECTION 3. The Council hereby authorizes and directs the City Manager or his designee, including the Director of Public Works, to:

(a) File and sign, for and on behalf of the City of Palo Alto, a Financial Assistance Application for a financing agreement from Reclamation for the Advanced Water Purification System, Local Project.

(b) Provide the assurances, certifications, and commitments required for the financial assistance application, including negotiating a financial assistance agreement from the Board and any amendments or changes thereto.

(c) Represent the City in carrying out the City's responsibilities under the financing agreement to be approved by the Council, including certifying disbursement requests on behalf of the city and compliance with applicable state and federal laws.

SECTION 4. The City will work with Reclamation to meet established deadlines required for entering into a cooperative agreement to obtain the aforementioned grant funding.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Senior Asst. City Attorney

City Manager

Director of Public Works