

Agenda Report

June 30, 2003

To: City Council

From: City Manager

Subject: Adopt a Resolution to Authorize the Application for a Grant from the United States Department of the Interior, Bureau of Reclamation (USBR), for Planning and Design of Phase 1 of the Reclaimed Water Program

RECOMMENDATION:

It is recommended that the City Council

1. Adopt a resolution to authorize the Water and Power Department to apply for a grant in the amount of \$248,000 from the USBR, for Planning and Design of Phase 1 of the Reclaimed Water Program;
2. Authorize the City to enter into a Funding Agreement for the Planning and Design of the City's Phase 1 of the Reclaimed Water Program.

BACKGROUND:

As California plans for a reduction in its allocation of water from the Colorado River, the City of Pasadena, as a MWD member agency, must pursue alternatives for increasing the City's local water supply and decreasing its dependence on imported water. A primary option for increasing local water supply is the use of reclaimed water from the Los Angeles-Glendale Water Reclamation Plant.

A Preliminary Reclaimed Water Study, conducted by Montgomery Watson Harza (MWH) in 1992 identified the availability of reclaimed water and the viability of connecting to the City of Glendale's system. In 1993 a Reclaimed Water Participation Agreement was signed between the City of Pasadena and the City of Glendale. Due to the lack of funding at that time, the project was put on hold. In December 2002, the Phase 1 Reclaimed Water Feasibility Study was completed by MWH. Phase 1, includes 5 users on the west side of town: Brookside Golf Course, Annandale Golf Course, Brookside Park, Lower Arroyo Park and Defenders Parkway and is approximately 25% of the original project which included users throughout the City.

The cost of the reclaimed water is relatively high and Pasadena Water and Power (PWP) searched for different funding options. A grant from the USBR was considered. In 1996, as part of its Water Reclamation and Reuse Program, the Reclamation Recycling and Water Conservation Act, Public Law 104-266 authorized USBR to participate in Pasadena's project, but funds were not appropriated until spring 2003. On April 28, 2003, USBR notified PWP, that Congress has appropriated funds for the reclaimed water project in Pasadena.

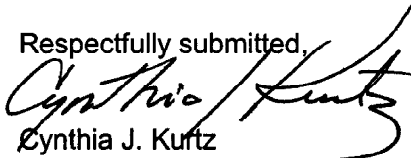
A total of \$248,000 is available in Fiscal Year 2003 for Pasadena's project. In order to receive the money, the City of Pasadena must complete an application for a 25% grant for the planning and design of Phase 1 as soon as possible and sign a cost share agreement with USBR. The cost share agreement shall be prepared by the USBR and upon approval by the City of Pasadena and USBR, Washington, must be signed by both parties no later than September 30, 2003.

PWP submitted a preliminary application for a grant to the USBR office in Temecula. The preliminary application is being used as a placeholder for the available funds. If authorization is granted, copies of the adopted resolution, the Agenda Report and a signed application will be mailed to USBR for the final agreement, as soon as they are available.

FISCAL IMPACT:

The \$248,000 will supplement the cost of the reclaimed water system approved by the City Council as part of the Capital Improvement Program budgets in fiscal years 1993 and 1998. There is no application fee associated with the submission of the grant application. The grant is a 25% reimbursement for all approved costs associated with the reclaimed water project. The remaining project costs will be funded by the Capital Improvement Charge and municipal bond financing.

Respectfully submitted,




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