

Agenda Report

July 19, 2004

To: City Council

From: City Manager

Subject: Adopt a Resolution to Authorize Amendments of the Cooperative Agreement Number 03-FC-35-0099 between the City of Pasadena and the United States Department of the Interior, Bureau of Reclamation for Preconstruction Activities of Phase 1 of the Reclaimed Water Project

RECOMMENDATION

It is recommended that the City Council:

1. Adopt a resolution to authorize the City to amend the Cooperative Agreement Number 03-FC-35-0099 for Preconstruction Activities of Phase 1 of the Reclaimed Water Project (Agreement); and
2. Authorize the City Manager to amend the Agreement when future funds become available.

BACKGROUND

Due to the reduction of Colorado River supplies to the Metropolitan Water District (MWD), the City of Pasadena (City), as a MWD member agency, is pursuing options to increase the City's local water supply and to decrease its dependence on imported water. A primary option to increase the local water supply is the use of reclaimed water from the Los Angeles-Glendale Water Reclamation Plant.

In 1993, the City signed an agreement with the City of Glendale for long-term delivery of reclaimed water. Due to a lack of funding at the time, the project was put on hold.

The City has searched for funding options to reduce the relatively high costs of reclaimed water to Pasadena water customers. In 1996, Pasadena's project was included in the Water Reclamation and Reuse Program of the United States Bureau of Reclamation (USBR), but no funds were appropriated. However, in 2003, through the efforts of Congressman Adam Schiff, \$230,000 was funded. The City and the USBR executed Cooperative Agreement Number 03-FC-35-0099 on September 4, 2003 for use of the funds to prepare a feasibility study and environmental documentation in compliance with USBR guidelines by September 30, 2004.

The guidelines for the feasibility study require an update to a study completed in 2002 by Montgomery Watson Harza (MWH). This study evaluated five potential reclaimed water users on the west side of town: Brookside Golf Course, Ahandale Golf Course, Brookside Park, Lower Arroyo Park and Defenders Parkway. These users represent about 25% of the potential users city-wide. The revised study in accordance with USBR guidelines will include potential reclaimed water users in Pasadena and in adjacent areas of Altadena, San Marino and Arcadia, which would maximize the use of the available reclaimed water and reduce the unit cost.

In addition to the funding provided in 2003, Congress funded another \$220,000 for FY 2004. Based on the findings of the feasibility and environmental studies, additional funding may be made available for future design and construction of the project.

The original agreement with USBR needs to be amended to extend the deadline for completion of the feasibility study and environmental documentation so as to include the larger project area and to include the FY 2004 Congressional appropriation. The amended agreement would also allow any unexpended funds to be carried over to design and construction activities. The purpose of any future amendments would be to obligate funds appropriated by Congress.

Amending the Agreement will allow PWP to encumber the funds for the reclaimed water project. If PWP does not encumber the funds now, the funds will not be available in the future and may put the project in jeopardy in qualifying for any future funds. The completion of the updated feasibility study and environmental documents are scheduled for October 31, 2004 and April 30, 2005 respectively. At that point, staff will provide recommendations to the City Council regarding the next phases of the project.


FISCAL IMPACT

The \$450,000 will supplement the cost of the reclaimed water system approved by the City Council as part of the Water Division's Capital Improvement Budget, Project Type 1013. Twenty-five percent of all approved costs associated with the project are eligible for reimbursement. The remaining project costs will be funded by the Capital Improvement Charge and municipal bond financing.

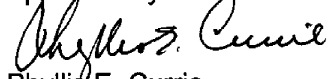
Respectfully submitted,


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