

Agenda Report

December 11, 2006

To: CITY COUNCIL

From: CITY MANAGER

Subject: ADOPTION OF TWO RESOLUTIONS COMPLETING FINAL SUBMITTAL OF A FUNDING APPLICATION UNDER THE WATER SECURITY, CLEAN DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002 (PROPOSITION 50)

RECOMMENDATION

It is recommended that the City Council adopt the attached resolutions required for the completion of a funding application to the State of California, Department of Health Services (DHS) for the Proposition 50 Funding Program.

BACKGROUND

Proposition 50, which was approved by California voters in 2002, authorized \$3.4 billion in General Obligation bonds for water projects including coastal protection, the CALFED Bay-Delta Program, integrated regional water management, safe drinking water and water quality.

The Water and Power Department (Department) submitted a full application in September 2006 to the DHS for a project identified in the Water Division's Capital Improvement Program (CIP), the Sunset Perchlorate Treatment Plant (CIP #1062).

The construction of the Sunset Perchlorate Treatment Plant will treat water from three contaminated groundwater wells at the Sunset Reservoir. This project will reactivate three production wells in the water system, increase local groundwater production and reduce current demand for imported water from the Metropolitan Water District (MWD). A reduction in MWD purchased water would indirectly decrease MWD's water demand from the Colorado River.

The total cost for this treatment plant is estimated at \$2.2 million. The Department has already received partial funding from the Environmental Protection Agency (EPA) and is pursuing additional funding from other sources, including the National Aeronautics and Space Administration (NASA). The funding application to DHS was for \$1.1 million and will be another source of funding for the construction of the Sunset Perchlorate Treatment Plant. There is a 50% local match requirement for this program.

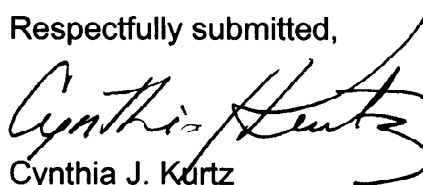
DHS has notified the Department that it has accepted its application and intends to issue a Letter of Commitment and Funding Agreement to the City of Pasadena. As part of the DHS administrative process, the City Council must adopt two resolutions as follows:

- 1) Authorize attached Final Application to the Proposition 50 Funding Program, which will complete the City's application with DHS; and
- 2) Authorize attached signature authority to the Department's General Manager for the execution of the Funding Agreement.

FISCAL IMPACT

When the final funding agreement is approved, the Department will obtain \$1.1 million, which will provide half of the CIP funding requirements for this project. The 50% local match requirement will be funded by the City's Water CIP Budget (CIP #1062) at \$748,850 and a Federal Environmental Protection Agency grant for \$358,400.

Respectfully submitted,



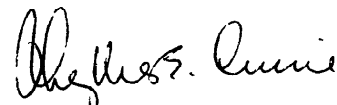
Cynthia J. Kurtz
City Manager

Prepared by:



Fred Lyn
Legislative and Regulatory Affairs Manager
Water and Power Department

Approved by:



Phyllis E. Currie
General Manager
Water and Power Department

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
AUTHORIZING APPLICATION FOR A PROPOSITION 50 FUNDING
PROGRAM GRANT

WHEREAS, the City of Pasadena has the authority to construct, operate,
and maintain the City's water system; and

WHEREAS, the City of Pasadena desires to assure that its water system
meets minimum safe drinking water standards:

NOW, THEREFORE, BE IT RESOLVED:

1. Pursuant and subject to all of the terms and provision of the Water
Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002
(proposition 50) and all amendments thereto, application be made to the State of
California for funding; and

2. The General Manager of the Pasadena Water and Power Department
is hereby authorized and directed to cause the necessary data to be prepared,
investigations to be performed and application to be signed and filed with the
State of California.

Passed and adopted at the regular meeting of the Pasadena City Council
on the _____ day of _____, 2006.

AYES:

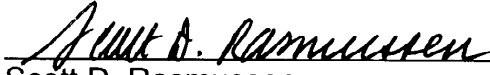
NOES:

ABSENT:

ABSTAIN:

Jane L. Rodriguez, CMC
City Clerk

Approved as to form:



Scott D. Rasmussen
Assistant City Attorney

RESOLUTION NO: _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
AUTHORIZING SIGNATURE OF A FUNDING AGREEMENT AND RELATED
DOCUMENTS FOR FUNDING UNDER THE WATER SECURITY, CLEAN
DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002
(PROPOSITION 50)**

WHEREAS, on September 14, 2006, the City of Pasadena made application to the State of California for a \$1,107,250 grant under the Proposition 50 Program; and

WHEREAS, the State of California intends to issue a Letter of Commitment to the City of Pasadena committing grant funds in the amounts eligible under the Proposition 50 Program for the Ion Exchange Perchlorate Treatment System at the Sunset Reservoir Wells – Project # P50-1910124-031, subject to terms and conditions to be set forth in a funding agreement; and

WHEREAS, on May 24, 2004, said Pasadena City Council adopted a project budget totaling \$2,300,000 for said project; and

WHEREAS, the remaining \$1,107,250 of project costs are to be funded with grant funds received from the Environmental Protection Agency and the City of Pasadena's Capital Improvement Program (CIP) Water Budget (Project 1062); and

WHEREAS, prior to the State of California issuing said funding agreement, the City Council is required to pass a resolution authorizing an officer to execute the Funding Agreement and amendments, designating a person to approve claims for reimbursement, designating a person (who must be a registered engineer) to sign the Budget and Expenditure Summary, designating a person (registered engineer) to sign Certification of Project Completion, and designating a person to sign the Final Release form:

NOW, THEREFORE, BE IT RESOLVED:

1. The General Manager of the Pasadena Water and Power Department is hereby authorized to sign the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) Funding Agreement and any amendments thereto,

2. The Water Engineering Manager is hereby authorized to approve Claims for Reimbursement under the Proposition 50 Program for the Ion Exchange Perchlorate Treatment System at the Sunset Reservoir Wells – Project # P50-1910124-031;

3. The Water Engineering Manager is hereby authorized to execute the Budget and Expenditure Summary under the Proposition 50 Program for the Ion Exchange Perchlorate Treatment System at the Sunset Reservoir Wells – Project # P50-1910124-031;

4. The Water Engineering Manager, is hereby authorized to sign the Final Release Form under the Proposition 50 Program for the Ion Exchange Perchlorate Treatment System at the Sunset Reservoir Wells – Project # P50-1910124-031;

5. The Water Engineering Manager is hereby authorized to certify that the project is complete and ready for final inspection; and

6. The City Council hereby designates revenues from the grant funds received from the Environmental Protection Agency and the City of Pasadena's Capital Improvement Program (CIP) Water Budget (Project 1062) as the dedicated sources of revenue for matching funds. This dedication shall remain in full force and effect until such funding agreement is fully discharged, unless modification or change of such dedication is approved in writing by the State of California.

Adopted at the regular meeting of the City Council of the City of Pasadena on the _____ day of _____, 2006.

AYES:


NOES:

ABSENT:

ABSTAIN:

Jane L. Rodriguez, CMC
City Clerk

Approved as to form:


Scott D. Rasmussen
Assistant City Attorney