



COUNCIL AGENDA: 10-18-05

ITEM: 2.8

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 9-28-05

Approved

Date 10/4/05

SUBJECT: ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH THE SANTA CLARA VALLEY WATER DISTRICT FOR COST SHARING IN IMPLEMENTATION OF WATER CONSERVATION PROGRAMS FOR FISCAL YEAR 2005-2006

RECOMMENDATION

Approval of an agreement with the Santa Clara Valley Water District (District) for cost sharing associated with implementation of water conservation programs in FY 2005-2006, under which the City will receive an amount not to exceed \$280,000 from the District and the District will be paid an amount not to exceed \$460,136 by the City, for a net cost to the City of \$180,136.

BACKGROUND

The City's Water Efficiency Program (WEP) promotes indoor water conservation to residents through education, to businesses through financial incentives, and through cost sharing agreements between the City and the District. Indoor water conservation protects future water supply. Furthermore, limiting flows to the San Jose/Santa Clara Water Pollution Control Plant (Plant) helps preserve salt-marsh habitat for two endangered species by reducing the volume of Plant discharge to San Francisco Bay.

ANALYSIS

The recommended agreement continues the cooperative water conservation efforts established between the District and the City in earlier cost sharing agreements. Under this agreement the City will reimburse the District \$2.00 per gallon per day of flow reduction achieved through District implementation of the following District programs within the tributary area of the Plant:

high efficiency washing machine replacement incentive programs for businesses and residents; and the high efficiency or dual flush toilet replacement programs for residents and businesses. The reimbursement rate of \$2.00 per gallon per day will repay the District approximately half the cost of the incentives or equipment changes provided by the District's water conservation programs that result in established water savings per retrofit.

The District will also continue to receive reimbursement under the agreement on a \$25 per unit basis for the Water Wise House Call program, which helps residents make their homes more water efficient, (about a third of the District's implementation cost). The District will be reimbursed \$5 per unit for water softener replacement incentives, medical equipment retrofits, and urinal valve retrofits. The District will also receive reimbursement of 25% up to a maximum of \$500 per unit for Cooling Tower Conductivity Controller installations and \$900 per Commercial, Industrial and Institutional (CII) Water Use Survey conducted.

This combination of reimbursement approaches, per gallon saved and per unit retrofit, will help promote programs with the greatest potential for water savings in a cost-effective manner while still providing sufficient program flexibility to the District.

The agreement also continues the District reimbursement to the City for up to \$250,000 to cover one half the cost of rebates provided to businesses within the Plant's tributary area that use the Water Efficient Technology (WET) program to reduce flows.

The agreement also provides complete reimbursement from the District to the City for the City's Neighborhood Preservation Water Conservation Program for an amount not to exceed \$30,000. This City program provides vouchers to low-income San Jose homeowners of up to \$2,000 limited to \$1 per square-foot. Vouchers used by homeowners in this program are only redeemable for items listed on an Approved Landscape Materials list designed, in collaboration with the District, to provide a landscape that will conserve water. The brochure explaining the Neighborhood Preservation Water Conservation Program is distributed by Code Enforcement to homeowner's whose properties have been noticed for non-compliance with the City's Neighborhood Preservation ordinance. The City has agreements in place with stores to accept the vouchers. The program supports the City's Strong Neighborhoods Initiative.

OUTCOME

This agreement will garner up to 172,213 gallons of measurable flow savings along with other added benefits such as the protection of future water supply. Pilot programs for new water conservation technologies will help assess and determine areas where future flow savings might be achieved.

This agreement is a cost-effective means of contributing to two desired outcomes for the Environmental and Utility Services core service area:

1. Safe, Reliable and Sufficient Water Supply
2. Healthy Streams, River, Marsh and Bay

PUBLIC OUTREACH

Public Outreach was not undertaken for this cost sharing agreement between the Santa Clara Valley Water District (District) and the City of San Jose. Past cost sharing agreements between the City and the District have contributed to the success of the City's efforts to limit flows to the Plant. At present, the recommended agreement will continue to ensure this success.

COORDINATION

This agreement and memorandum have been coordinated with the City Attorney's Office, Risk Management, Planning, Building and Code Enforcement Department and the Budget Office.

COST IMPLICATIONS

The cost to the City for this cost-sharing agreement will not exceed \$460,136. Revenues will be up to \$280,000. Funding for this agreement is included in the Environmental Services Department Adopted 2005-2006 Operating Budget.

This recommendation meets the general principles of the Council approved budget strategy to protect vital core City services (Environmental Services: Protect Natural and Energy Resources).

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. for Contract	2005-2006 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
513	0762	Non-Personal/ Equipment	100684	29,517,643	\$460,136	VIII-48	
446	0762	Non-Personal/ Equipment	700760	1,729,646	\$30,000	VIII-48	
Total					\$490,136		

* The 2005-2006 Proposed Operating Budget was approved by City Council on June 21, 2005.

CEQA

Not a project.



JOHN STUFFLEBEAN
Acting Director, Environmental Services