



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 07-28-08

Approved

Deanna Sabra

Date

7/29/08

COUNCIL DISTRICT: City-wide

**SUBJECT: APPROVAL OF GRANT AGREEMENT WITH MANSION GROVE
APARTMENTS FOR RETROFIT OF RECYCLED WATER FACILITIES**

RECOMMENDATION

Approve a Grant Agreement with Mansion Grove Apartments in an amount not to exceed \$220,000 for retrofit of recycled water facilities.

OUTCOME

Landscape areas in the Mansion Grove Apartments will be connected to the South Bay Water Recycling system and use an additional 60 acre feet per year (AFY) of recycled water.

BACKGROUND

The Mansion Grove Apartments, currently being remodeled, are located at Mansion Grove Drive and Lick Mill Boulevard in Santa Clara and include approximately 600,000 square feet of landscape suitable for irrigation with recycled water, representing a potential demand of between 60 and 70 acre feet of water per year. Under Council Resolution No. 66568, the City Manager is authorized to negotiate and execute grant agreement for recycled water retrofits up to the amount of \$150,000 and not to exceed \$500 per acre foot. The City of Santa Clara is also authorized by their "Agreement for Engineering, Construction and Construction Services" with the City of San Jose to provide grants up to \$500 per acre foot for construction of recycled water facilities to property owners willing to retrofit their site for connection to the recycled water system.

ANALYSIS

The Mansion Grove Apartments are adjacent to the Rivermark development, a new development which was designed and constructed to use recycled water for landscape irrigation. The use of 60 acre-feet per year of recycled water at the referenced property equates to as much as 125,000 gallons per day during the summer. Connection of Mansion Grove Apartments to South Bay Water Recycling is desirable not only because it will conserve an equivalent amount of potable water for drinking water use, but also because the uniform use of recycled water in an area where recycled water is widely used will minimize the possibility of cross connections between nearby potable and nonpotable irrigation systems. However, the estimated cost of retrofitting the site to use recycled water will result in a unit retrofit cost over the ceiling for City Manager or City of Santa Clara's grant awards (\$500/afy). As a result, Council approval is required in order for a grant in an amount not to exceed \$220,000 to be awarded for this project.

EVALUATION AND FOLLOW-UP

Once the Grant Agreement is executed, City of Santa Clara staff will supervise the construction of the recycled water retrofit facilities through the terms of the current Agreement for Engineering, Construction and Construction Services between the cities of San Jose and Santa Clara.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
(Required: Website Posting)
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet any of the criteria above. This memorandum will be posted on the City's website for the August 19, 2008 City Council Meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office and the City Manager’s Budget Office. This item is scheduled to be heard at the August 14, 2008 meeting of the Treatment Plant Advisory Committee.

COST IMPLICATIONS

Facilities funded out of the Grant Agreement will cost an amount not to exceed \$220,000.

AMOUNT OF RECOMMENDATION: \$220,000

SOURCE OF FUNDING: 512 – San Jose–Santa Clara Treatment Plant Capital Improvement Fund

FISCAL IMPACT: No additional funding is necessary to fund this recommendation.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the recommendation.

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2008-2009 Proposed Capital Budget Page*	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$220,000			
Current Funding Available							
512	6589	Revised SBAP-SBWR Extension	132165	\$11,878,000	\$220,000	V-134	6/24/08 Ord. No. 28349
Total Current Funding Available				\$11,878,000			

* The 2008-2009 Adopted Capital Budget was approved by Council on June 24, 2008.

HONORABLE MAYOR AND CITY COUNCIL

07-28-08

Subject: Agreement with Mansion Grove Apartments for Retrofit of Recycled Water Facilities

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CEQA

Resolution No. 64667 (SCH 92-01-3071) and Addenda thereto including No.1, "San Jose Nonpotable Reclamation Project (November, 1995).



JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director, Environmental Services Department, at (408) 277-4218.