



Subject: Cost-Sharing Agreement with Santa Clara Valley Water District for Water Conservation

**Council Agenda: 4-19-11
Item: 2.7**

City Council Action Request

Department: Environmental Services	CEQA: Not a Project, File No.PP10-066 (e), Services that involve no physical changes to the environment.	Coordination: City Attorney's Office, City Manager's Budget Office, and scheduled to be heard at the 4/7/11 Treatment Plant Advisory Committee Meeting.	CMO Approval:
			Dept. Approval: John Stufflebean /s/

RECOMMENDED ACTION:

Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the Santa Clara Valley Water District (District) for cost sharing of water conservation and wastewater flow reduction programs, for the period of January 1, 2011 through December 31, 2011, under which the City will pay the District an amount not to exceed \$500,000 and the City will receive an amount not to exceed \$180,000.

BASIS FOR RECOMMENDATION:

This agreement covers two programs:

- Indoor water conservation programs that result in wastewater flow reduction to the San Jose/Santa Clara Water Pollution Control Plant**

Under this agreement, the City will reimburse the District up to \$500,000 for specific programs within the Plant Service Area, such as rebates for water-efficient clothes washers, toilets and urinals, submeters for mobile home parks and apartments, and water use surveys for residents. The District will reimburse the City up to \$150,000 to cover 50% of the City's cost (not including administration) for the Water Efficient Technology rebates administered by the City within the Plant Service Area.

These programs are expected to achieve an estimated 233,000 gallons per day of measurable flow reduction in the Plant Service Area. Cost-sharing to achieve these flow savings is a cost-effective strategy for the Plant to implement water conservation programs as required under section 6.a. of its NPDES Permit (Other Special Provisions, South Bay Action Plan). These programs will help achieve two wastewater performance measures reported annually in the Environmental and Utility Services CSA, Core Service: Protect Natural and Energy Resources. In addition, the reduced flow to the Plant translates to reduced costs for operations and maintenance, reduced use of chemicals and their associated environmental hazards, and the deferment or reduced need for repair or construction of equipment and facilities.
- Neighborhood Preservation Water Conservation Program**

Under this agreement, the District will provide complete reimbursement for the City's Neighborhood Preservation Water Conservation Program in an amount not to exceed \$30,000. This program will achieve stormwater protection and water conservation benefits by providing vouchers to low-income San José homeowners who have received a citation under the City's Neighborhood Preservation Ordinance and who have improved their front yards in water-efficient ways. The program also supports the City's Strong Neighborhoods Initiative.

COST AND FUNDING SOURCE:

The total not to exceed amount the City will reimburse to the District is \$500,000. The total not to exceed amount the District will reimburse to the City is \$180,000. If the reimbursements reach their limits, the net cost to the City will be \$320,000.

Funding for this agreement is included in the Environmental Services Department FY10-11 Adopted Budget for Non-Personal/Equipment, in the amount of \$500,000, in the Treatment Plant Operating Fund. The full amount of the agreement will be encumbered in FY10-11.

Revenue is already in this budget in the current fiscal year for the reimbursements from the District.

FOR QUESTIONS CONTACT: Mansour Nasser, Deputy Director, 277-4218.