

RESOLUTION NO. 75431

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A GRANT AGREEMENT WITH THE U.S. BUREAU OF RECLAMATION TO RECEIVE UP TO \$260,000 UPON EXECUTION OF THE AGREEMENT, AND UP TO AN ADDITIONAL \$20,440,000 SUBJECT TO APPROPRIATION OF FEDERAL FUNDS, IN REIMBURSEMENT FOR UP TO TWENTY-FIVE PERCENT OF ELIGIBLE COSTS INCURRED IN THE PHASE 1B EXPANSION OF THE SOUTH BAY WATER RECYCLING FACILITIES

WHEREAS, in September 1995, the City of San José (“City”) and the United States Bureau of Reclamation (“USBR”) executed a Cooperative Agreement (“Agreement”) allowing USBR to reimburse the City up to \$35 million of the \$140 million cost of the South Bay Water Recycling – Phase 1A, a project to divert up to 15 million gallons per day of Plant effluent for irrigation and industrial use; and

WHEREAS, the Agreement was originally funded by a \$1.75 million federal appropriation, it was modified through 2009 as Congress annually appropriated between \$400,000 and \$3.8 million for a total reimbursement of \$31.65 million; and

WHEREAS, in June 2000, the City Council approved the “Revised South Bay Action Plan,” with \$82.5 million included in the 2001-2005 Capital Budget for Phase 1B costs; and

WHEREAS, in 2000 and 2009, the City expended \$82,855,553 million on Phase 1B facilities including more than 40 miles of recycled water pipeline, two reservoirs and various reliability improvements; and

WHEREAS, in January 2009, the City requested that USBR review the Phase 1B environmental documentation and make a determination about the eligibility of Phase 1B costs for federal funding; and

WHEREAS, in March 2009, USBR issued a categorical exclusion for City, allowing the City to seek federal reimbursement for Phase 1B costs, and on February 11, 2010, the City Manager submitted Form 424 “Application for Federal Assistance;” and

WHEREAS, the City desires to negotiate and execute an agreement with USBR to receive up to \$260,000 upon execution of the agreement, and up to an additional

\$20,440,000 subject to appropriation of federal funds in reimbursement for Phase 1B expansion of the South Bay Water Recycling facilities;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to negotiate and execute a grant agreement with the U.S. Bureau of Reclamation to receive up to \$260,000 upon execution of the agreement, and up to an additional \$20,440,000 subject to appropriation of federal funds, in reimbursement for up to twenty-five percent of eligible costs incurred in the Phase 1B expansion of the South Bay Water Recycling facilities.

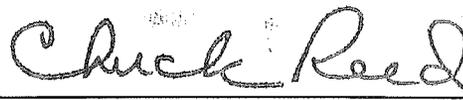
ADOPTED this 15th day of June, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,
KALRA, LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST:



LEE PRICE, MMC
City Clerk