



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Approve Budget Modification No. 50 in the Amount of \$149,971 for the Wolfe Road Recycled Water Pipeline Project

#### **BACKGROUND**

On August 13, 2013, the City Council approved the Recycled Water Feasibility Study (RTC 13-181) outlining a strategy to expand recycled water for non-potable use. On September 24, 2013, the City Council approved a cost sharing agreement with Santa Clara Valley Water District (District) for design and engineering of the Wolfe Road Recycled Water project (Project) (RTC 13-226). On September 30, 2014, the City Council approved a cost sharing agreement with the District for construction of the Project (RTC 14-0595) with a total City of Sunnyvale share capped at \$2.1 million for both design and construction, with the District covering the balance.

#### **EXISTING POLICY**

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

#### **ENVIRONMENTAL REVIEW**

The City adopted a Mitigated Negative Declaration (MND) for the Wolfe Road Recycled Water project on Sept. 24, 2013 (RTC 13-226). An Addendum to the MND was approved on September 30, 2014 in connection with the approval of the cost sharing agreement (RTC 14-0595). The construction of the project is substantially complete and this fiscal action has no possibility of causing a significant impact on the environment. Therefore, no further environmental is required. (CEQA Guidelines, Sections 15061(b)(3), 15162(c).)

#### **DISCUSSION**

Construction of the Project within Sunnyvale has been completed and now undergoing testing before full commissioning. The City of Sunnyvale's share for the Project was capped at \$2.1 million per the agreement with the District and as authorized by the City Council on September 30, 2014. If additional costs were incurred, staff committed to either obtaining other grant funding or appropriating from other sources. Additional costs incurred include CEQA costs, membership in the Western Recycled Water Coalition and other recycled water related charges. Budget Modification No. 50 has been prepared to appropriate funding from the project to administer the Sunnyvale Clean Water Program, which has a significant focus on recycled water production. With the additional reimbursements of \$41,860 as outlined below, the District reimbursement to the City totals \$84,684 for staff related costs on the Project and City and State Water Permit related costs.

### **FISCAL IMPACT**

Budget Modification No. 50 has been prepared to appropriate additional funding for the Wolfe Road Recycled Water project. Funding sources include District reimbursements and an appropriation from the Sunnyvale Clean Water Program Project Administration project.

#### **Budget Modification No. 50 FY 2016/17**

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>Water Distribution Fund</b>			
<u>Revenues</u>			
Santa Clara Valley Water District	\$37,662	\$47,022	\$84,684
<u>Expenditures</u>			
Project 829450 - Regional Recycled Water Intertie	\$2,100,000	\$140,971	\$2,240,971
<b>Wastewater Fund</b>			
<u>Expenditures</u>			
Project 827090 - SCWP Project Administration	\$6,439,116	(\$93,949)	\$6,345,167

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Approve Budget Modification No. 50 in the amount of \$140,971 for the Wolfe Road Recycled Water Pipeline Project.

Prepared by: Mansour Nasser, Water & Sewer Systems Division Manager

Reviewed by: Kent Steffens, Assistant City Manager, Interim Environmental Services Director

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager