



Santa Clara Valley Water District Joint Recycled Water Policy Advisory Committee

San Jose City Hall,
200 E Santa Clara Street, 17th floor, Conference Room 1734
San Jose, CA 95113

City of San Jose Webinar
Meeting ID: 930 0684 4417
Participant ID: 162202
Pass Code: 773875

SPECIAL MEETING AGENDA

**Wednesday, May 29, 2024
11:30 AM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

JOINT RECYCLED WATER POLICY ADVISORY
COMMITTEE W/ CITY OF SAN JOSE, SANTA
CLARA/SCVWD

Tony Estremera - SCVWD Dist. 6
Richard Santos - SCVWD Dist. 3
Jim Beall - SCVWD Dist. 4
David Cohen - City of San Jose Dist. 4
Peter Ortiz - City of San Jose, Dist. 5
Karen Hardy - City of Santa Clara, Dist. 3

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

Kirsten Struve (Staff Liaison)

Nicole Merritt
(COB Liaison)
Asst. Deputy Clerk II
nmerritt@valleywater.org
408-630-3262

Notice: Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

**Santa Clara Valley Water District
Joint Recycled Water Policy Advisory Committee
with Cities of San Jose and Santa Clara**

SPECIAL MEETING AGENDA

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****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION I N B O A R D A N D C O M M I T T E E M E E T I N G S I o c a t e d a t <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

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- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

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Join the City of San Jose Webinar:
Meeting ID: 930 0684 4417
Participant ID: 162202
Pass Code: 773875

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the public: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.

- 2.1. Elect 2024 Joint Recycled Water Policy Advisory Committee [24-0507](#)
(SCVWD/San Jose/Santa Clara - Chairperson.
Recommendation: Elect 2024 Chairperson for the Joint Recycled Water Policy Advisory Committee.
Manager: Candice Kwok-Smith, 408-630-3193
Est. Staff Time: 5 Minutes

3. APPROVAL OF MINUTES:

- 3.1. Approval of December 15, 2023 Joint Recycled Water Policy Advisory Committee Meeting Minutes. [24-0508](#)
Recommendation: Approve the minutes.
Manager: Candice Kwok-Smith, 408-630-3193
Attachments: [Attachment 1: 121523 JRWPAC Minutes](#)
Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

- 4.1. Expansion of the Purified and Recycled Water System and Development of a Potable Reuse Project. [24-0500](#)
Recommendation: A. Receive information and provide feedback on the roadmap and next steps to develop needed agreements for the expansion of the purified and recycled water system and development of a potable reuse project to ensure our community is more drought resilient; and
B. Provide feedback on resource needs to support a direct potable reuse collaborative project.
Manager: Kirsten Struve, 408-630-3138
Attachments: [Attachment 1: PowerPoint](#)
Est. Staff Time: 10 Minutes

- 4.2. Review of Proposed Fiscal Year 2024-2025 Budgets for Silicon Valley Advanced Water Purification Center and South Bay Water Recycling System.

[24-0501](#)

Recommendation: This item is informational as the Santa Clara Valley Water District Board of Directors and the San José City Council approved the proposed budgets for the ensuing fiscal year for the maintenance, expansion, replacement, improvement, and operation of the South Bay Water Recycling system and the Silicon Valley Advanced Water Purification Center.

Manager: Kirsten Struve, 408-630-3138
Sam Bogale, 408-630-3505

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 10 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

6. ADJOURN:

- 6.1. Adjourn to Regular Meeting at 10:00 a.m., on April 17, 2025.

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Santa Clara Valley Water District

File No.: 24-0507

Agenda Date: 5/29/2024

Item No.: 2.1.

COMMITTEE AGENDA MEMORANDUM Joint RWPAC with Cities of San Jose/Santa Clara

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Elect 2024 Joint Recycled Water Policy Advisory Committee (SCVWD/San Jose/Santa Clara - Chairperson.

RECOMMENDATION:

Elect 2024 Chairperson for the Joint Recycled Water Policy Advisory Committee.

SUMMARY:

Consistent with Article 3.C of the Recycled Water Facilities and Programs Integration Agreement between the City of San José and the Santa Clara Valley Water District, adopted on March 2, 2010, members of the Recycled Water Policy Advisory Committee (Committee) shall elect one member to serve as Chairperson of the Committee at the first meeting in each fiscal year. The Chairperson shall serve until the election of a successor in the next fiscal year, or no longer a member of the Committee, whichever is earlier. Mid-fiscal year vacancies in the office of the Chair occurring in between regular elections will be filled by the Committee electing a new Chairperson to serve until the next regular election. The Chairperson shall preside at all meetings of the Committee. In the event of the Chairperson's absence from any meeting, the members of the Committee may elect a Chair Pro-Tem to serve as Chair during the latter's absence.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The election of Chairperson is not subject to environmental justice analysis.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

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Santa Clara Valley Water District

File No.: 24-0508

Agenda Date: 5/29/2024
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM
Joint RWPAC with Cities of San Jose/Santa Clara

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approval of December 15, 2023 Joint Recycled Water Policy Advisory Committee Meeting Minutes.

RECOMMENDATION:

Approve the minutes.

SUMMARY:

A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval. Upon Committee approval, minutes transcripts are finalized and entered into the Valley Water's archives and serve as the historical record of the Committee's meeting.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The approval of minutes is not subject to environmental justice analysis.

ATTACHMENTS:

Attachment 1: 121523 JRWPAC Minutes

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

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**JOINT RECYCLED WATER POLICY ADVISORY COMMITTEE
CITY OF SAN JOSÉ/SCVWD/CITY OF SANTA CLARA**

DRAFT MINUTES

**FRIDAY, DECEMBER 15, 2023
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A special meeting of the Santa Clara Valley Water District (Valley Water) Joint Recycled Water Policy Advisory Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 11:00 a.m.

1.1 Roll Call.

Valley Water Board Committee members in attendance were District 4 Director Jim Beall, District 3 Director Richard Santos, and District 6 Director Tony Estremera, Chairperson presiding.

City of San José/Santa Clara members in attendance were City of San José Councilmember David Cohen and City of Santa Clara Councilmember Kathy Watanabe as an Alternate constituting a quorum of the Committee.

Valley Water staff members in attendance were: Brandon Adriano, Antonio Alfaro, Aaron Baker, Nastaran Basiri, Bart Broome, Lakeisha Bryant, Jiana Escobar, Rachael Gibson, Vincent Gin, Walter Gonzalez, Andrew Gschwind, Zachary Helsley, Lei Hong, Brian Hopper, Girlie Jacobson, Candice Kwok-Smith, Elise Latedjou-Durand, Sean Lee, Dave Leon, Carlos Orellana, Becky Manchester, Nicole Merritt, Melanie Richardson, Don Rocha, Medi Sinaki, Diahann Soleno, Kirsten Struve, Charlene Sun, David Tucker and Beckie Zisser.

City of Santa Clara Councilmember in attendance was Councilmember Kevin Park and City of San José/Santa Clara staff members in attendance were: Arthine Cossey vanDuyne, Kip Harkness, Pedro Hernandez, Henry Louie, Shilpa Mehta, Jeff Provenzano, Rosa Tsongtaarii, and Gary Welling.

Public in attendance were: Paul Brown (Paul Redvers Brown Inc.), Phillippe Daniel (Liquisti LLC.), Jan Davel (CDM Smith), Nicole Harvie, Katja Irvin (Sierra Club-Loma Prieta Chapter), Ezra David Romero (KQED News), and Shane Trussell (Trussell Technologies).

Attachment 1
Page 1 of 3

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA

Chairperson Estremera declared time open for public comment on any item not on the agenda. There was no one who wished to speak.

3. APPROVAL OF MINUTES:

- 3.1 Approval of September 6, 2023 Joint Recycled Water Policy Advisory Committee Meeting Minutes.

Recommendation: Approve the Minutes.

The Committee considered the attached minutes of the September 6, 2023 Committee meeting.

Public Comments:
None.

It was moved by Director Santos, seconded by Councilmember Cohen, and was carried by majority vote, that the minutes be approved. Councilmember Watanabe abstained from the vote per not being present at the meeting.

4. REGULAR AGENDA:

- 4.1 Expansion of the Purified and Recycled Water System and Development of a Potable Reuse Project.

Recommendation: A. Discuss development of a roadmap and next steps to develop needed agreements for the expansion of the purified and recycled water system and development of a potable reuse project to ensure our community is more drought resilient per the November 17, 2023 action at the joint meeting of the Valley Water Board and the San Jose City Council; and
B. Request staff to return with the roadmap, including mutual objectives, timelines and resources needed to complete agreements within two years no later than April 2024 to the JRWPAC.

Melanie Richardson reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding presentation materials contained in Attachment 1 were reviewed by staff as follows: Melanie Richardson reviewed Slide 1 and Slides 17 through 18; Kip Harkness reviewed Slides 2 through 4; Kirsten Struve reviewed Slides 5 through 10, Slide 12, and Slides 14 through 15; and Jeff Provenzano reviewed Slides 11, 13, and 16.

Melanie Richardson, Kip Harkness, Kirsten Struve, Jeff Provenzano, and Gary Welling were available to answer questions.

Public Comments:
None.

The Committee received the information, requested staff to return with the roadmap, and noted the following:

- Director Beall requested staff follow up on looking into expediting the timelines especially for the full-scale DPR project by overlapping timeframes for agreements and planning/design; and noted the potential for showing joint support to the state regarding the climate bond and any other state water purification programs for future joint state funding opportunities.
- The Committee confirmed to move forward with any future agreements, feasibility studies, and cost sharing budgets would require review and approval from both San Jose and Santa Clara City Councils and the Valley Water Board, decisions regarding how to run a facility would be dependent on who provided the funding, and staff will follow up with a recommendation regarding the logistics of a DPR responsible agency.
- The Committee noted the importance of getting the public's support for purified water per the climate crisis, showed appreciation for staff's work, and encouraged staff to work towards creating the largest possible purification center while expediting timelines.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

None.

6. ADJOURN:

Adjourn to Regular Meeting at 10:00 a.m. on April 18, 2024.

Chairperson Estremera adjourned the meeting at 11:53 a.m., to the regular meeting at 10:00 a.m. on April 18, 2024.

Nicole Merritt
Assistant Deputy Clerk II

Date Approved:

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Santa Clara Valley Water District

File No.: 24-0500

Agenda Date: 5/29/2024

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM Joint RWPAC with Cities of San Jose/Santa Clara

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Expansion of the Purified and Recycled Water System and Development of a Potable Reuse Project.

RECOMMENDATION:

- A. Receive information and provide feedback on the roadmap and next steps to develop needed agreements for the expansion of the purified and recycled water system and development of a potable reuse project to ensure our community is more drought resilient; and
- B. Provide feedback on resource needs to support a direct potable reuse collaborative project.

SUMMARY:

Background

In January 2023, Santa Clara Valley Water District (Valley Water) and the Cities of San José and Santa Clara (Cities) executed a Letter of Intent for Collaborating on the Expansion of Recycled and Purified Water in Santa Clara County (LOI). The LOI recognizes that climate change makes our community more vulnerable to extreme weather conditions, including periods of long-term drought and more intense wet-weather events. To prepare for these extreme and uncertain events, the availability of drought proof water supply and efficient water management justifies the significant and rapid expansion of recycling treated wastewater from the San José-Santa Clara Regional Wastewater Facility (RWF).

On November 17, 2023, the Valley Water Board and San José City Council provided the following guidance to staff to ensure development of win-win solutions that meet the Cities' and Valley Water's needs:

- Confirmed support for aggressively pursuing a joint project to meet local water supply needs, including both a demonstration and full-scale potable reuse project that is the largest size practicable within funding, environmental, and technical constraints.
- Confirmed support for development of the feasibility study, demonstration facility and institutional arrangements, including lease and wastewater availability agreements, within two years.

- Confirmed support for coordinated public outreach program to ensure the success of a direct potable reuse project.
- Twice-yearly or as-needed updates to the Joint Recycled Water Policy Advisory Committee (JRWPAC).

On December 6, 2023, JRWPAC requested staff to return with the roadmap, including mutual objectives, timelines and resources needed to complete agreements within two years by April 2024.

Roadmap

Since then, staff from the Cities and Valley Water have developed the roadmap as requested by the JRWPAC. As previously discussed, a Direct Potable Reuse (DPR) project will provide the most flexible approach to potable reuse and was selected as the preferred approach for collaboration between the Cities and Valley Water. As previously discussed, the first necessary step is development of a demonstration facility.

Mutual Objectives

The Cities and Valley Water's short-term goal is development of the demonstration facility with the following objectives:

- Enable regulatory approvals and permitting of a full-scale facility that protects public health and meets the DPR regulations
- Ensure the most cost-effective design by informing treatment process selection for the full-scale facility
- Develop institutional arrangements
- Provide operator training and certification as required by the DPR regulations
- Establish Public outreach and education by creating a Learning Center

Long term objective for Valley Water is to develop the maximum feasible size of potable reuse to secure the county's long term water supply while protecting public health and meeting all pertinent regulations. Additional joint objectives include:

- Valley Water supports the cities in securing long-term water supply from SFPUC, which would prevent the need to shift this demand to North County groundwater or other Valley Water supplies
- Ensuring continued wastewater treatment plant permit compliance and resulting environmental protection of the San Francisco Bay.

Valley Water is evaluating future water supply needs for the county, including projected SFPUC supplies as part of the development of their long-term Water Supply Master Plan.

Technical Studies

As presented to the JRWPAC, a number of technical, environmental, regulatory, financial and institutional elements are needed to develop the direct potable reuse project.

The following technical evaluations are ongoing:

- Evaluation of the newly completed regulations and size needs for the demonstration facility
- Evaluating opportunities for a learning center to provide public outreach and education
- Necessary engineering analysis for demonstration and the future full-scale facility, including various options for the best water supply reliability and flexibility
- Wastewater availability and sizing of full-scale facility

Institutional Arrangements

The following agreements that support the existing Silicon Valley Advanced Water Purification Center (SVAWPC) will be reviewed and amended as needed to enable the DPR Demonstration Facility:

- Integration Agreement
- Operations and Maintenance agreement
- Land Lease

Long-term agreements will be developed in parallel, including wastewater availability, operations and maintenance including RO concentrate management, and land lease. Valley Water will be assisting the cities in securing the long-term SFPUC supplies for their customers as described above.

Staff funding agreements for the Cities are also under development (see resource needs section below).

Feasibility Study

Valley Water staff is working to procure consultant assistance to develop a feasibility study and helping for future grant applications including for design and construction of the full-scale project. The San José-Santa Clara Purified Water Program Feasibility Study recently received a grant from the Bureau of Reclamation. Preparation of a feasibility study is a prerequisite for obtaining construction grants in the future with Cities and Valley Water committed to work together on its development (see more detail below).

Resource Needs

Staff from the cities and Valley Water are also meeting to discuss additional support including staffing of a team needed at the Cities and Valley Water to implement the collaborative projects. The City of San José approved a budget proposal to support and work with Valley Water over the next two years to develop needed agreements for both the demonstration facility and full-scale facility. In addition, over the next three years, the staff will work on:

- Reviewing and commenting on necessary technical studies currently underway by Valley Water as well as additional future needed studies
- Reviewing conceptual designs and bid package for demonstration facility
- Supporting preparation of the feasibility study and grant applications

- Collaborating on the DPR regulatory requirements, including formation of a Direct Potable Reuse Responsible Agency
- Private activity analysis for Regional Wastewater Facility (RWF) bonds
- California Environmental Quality Act (CEQA) and, if needed, National Environmental Policy Act (NEPA) analysis (i.e. for federal grants)
- Facilitate planning approvals for the demonstration facility and learning center
- Collaborate on regulatory approvals
- Develop cost-effective waste management strategies including for Reverse Osmosis Concentrate

Valley Water would reimburse city staff work that supports the demonstration and full scale DPR facilities estimated at up to \$1 million per year. The capital funds allocated for this project starting next fiscal year by Valley Water will provide the needed funding. The City of Santa Clara has also provided a budget proposal for up to \$350,000 to assist with the project.

Funding and Timeline

In February 2023, the Cities and Valley Water collaborated on a grant application to the United States Bureau of Reclamation WaterSMART program for financial resources to implement the LOI. The San José-Santa Clara Purified Water Program Feasibility Study with a total project cost of \$1,524,996 was recently funded with \$381,249 by Reclamation. Preparation of a feasibility study is a prerequisite for obtaining construction grants in the future with Cities and Valley Water committed to work together on its development.

Valley Water's Board has validated the San José Purified Water Project - Phase 1 (demonstration facility) as part of the CIP with an estimate of \$49 million. The timeline to implement the DPR demonstration facility is 3 to 5 years.

Outreach

Valley Water and City of San José staff participated in a virtual community workshop hosted by San José's Fuse Fellow to Elevate Community Priorities on Water Conservation and Reuse on March 13, 2024, to begin brainstorming on ways to reach the community on these important topics and promote equity and inclusion.

Next Steps

Staff will continue to develop necessary interagency agreements, including more detailed definition of the demonstration facility, (potential collaboration with SFPUC, and private activity analysis, as well as agreements needed for the full-scale facility. As presented to the Board and San José council, staff proposed to update JRWPAC twice yearly or as needed.

Staff from the Cities and Valley Water will discuss a coordinated outreach program to ensure public support for potable reuse, including coordinating on the messaging, identify key constituencies and stakeholders, and the timing of the public outreach plan - with a lens of ensuring that disadvantaged

communities are engaged to identify their needs and receive their input.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with this item.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Kirsten Struve, 408-630-3138

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Joint Water Resources Policy Advisory Committee Cities of San Jose and Santa Clara

Roadmap for Implementation of a Direct Potable Reuse (DPR) Pilot Project
May 29, 2024

Mutual Goals from Letter of Intent

- Improving **water supply reliability** and meeting shared water supply needs;
- Increasing amount of **treated wastewater available** from the RWF for potable and non-potable uses;
- **Supporting water reuse projects** with an expansion area adjacent to the SVAWPC;
- Consistency with the interests of each Party's **respective rate payers**;
- Be ready to take advantage of current and future **state and federal funding opportunities**;
- **Prudent and fair way to manage ROC** such that it does not create undue financial burdens or regulatory liability;
- Developing water reuse projects in a way that **protects groundwater quality**;
- **Maximizing demand management and water conservation**, including for non-potable uses; and
- **Considering feedback from TPAC**

November 17 Action by San Jose Council and Valley Water Board

- **Confirmed support for pursuing a joint project to meet local water supply needs, including a demonstration and full-scale project that is the largest size practicable**
- **Confirmed support for the development of a feasibility study for the full-scale project**
- **Confirmed support for the development of land lease and minimum wastewater delivery within two years**
- **Confirmed support for a coordinated public outreach program**
- **Twice a year or as needed updates to JRWPAC**
- **Considering feedback from TPAC**

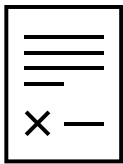
Short Term Objective – Construct Demonstration Facility

- New regulations will require additional treatment processes and new institutional arrangements
- Demonstration facility is necessary first step to a full-scale project

Objectives of Demo Facility:



Regulatory
Permitting



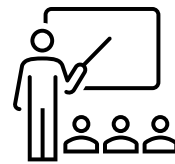
Interagency
Agreements



Train
Operators



Operational
and Technical
Studies



Outreach and
Public Perception

Example Demonstration Facilities

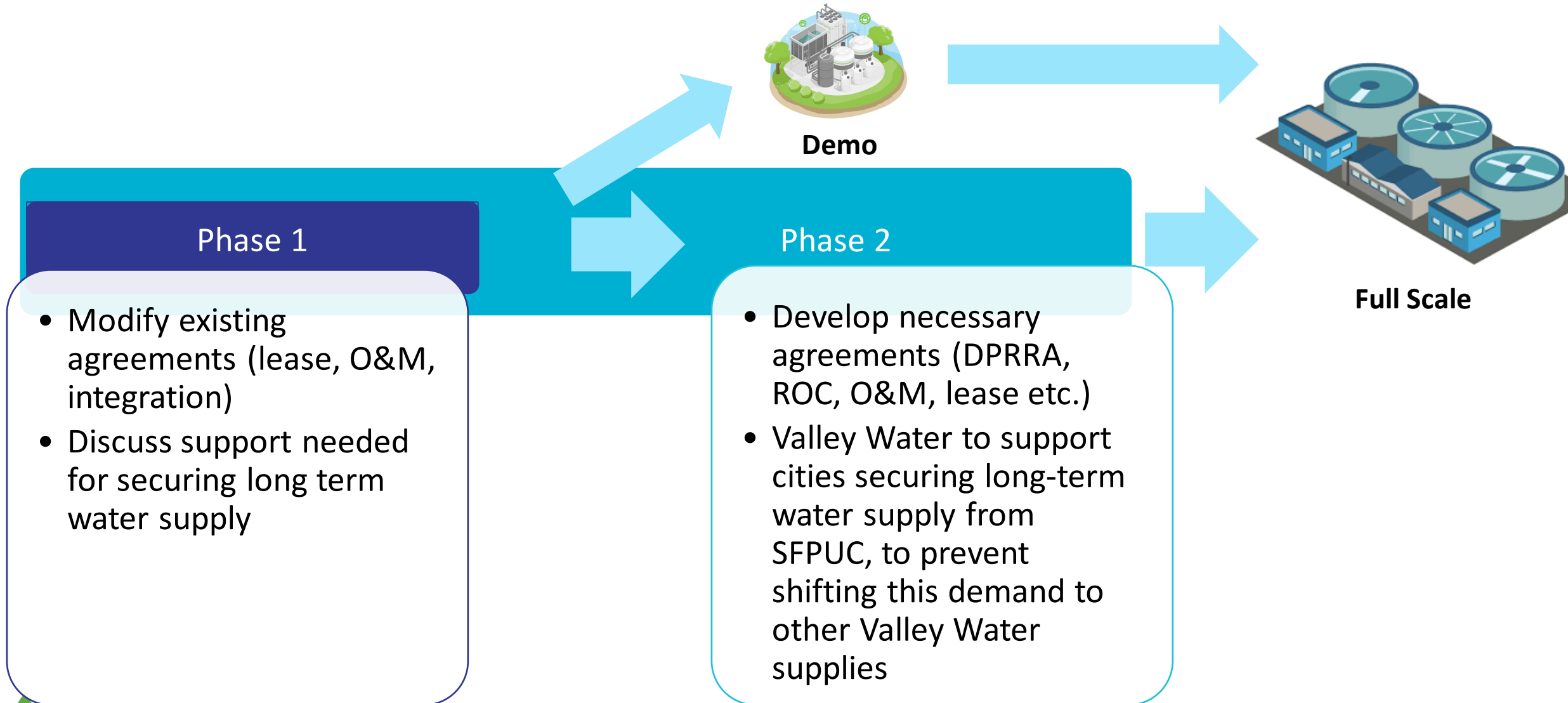


City of San Diego Pure Water Program



Metropolitan Water District of Southern
California

Proposed Agreement Structures – two steps



Develop DPR Project Technical Evaluations

The following technical evaluations are ongoing:

- Sizing and designing the demo based on newly completed regulations
- Learning center to provide public outreach
- Necessary engineering analysis for Demo and Full-Scale
- Wastewater availability and sizing the Full-Scale

Resources Needed – Cost

City of San José resource needs to support development of the DPR project:

- Estimated cost is up to \$1M per year for three years

City of Santa Clara

- Estimated cost is up to \$350,000 to support negotiations

Resources Needs: Scope

Over the next two years, these staff will work on:

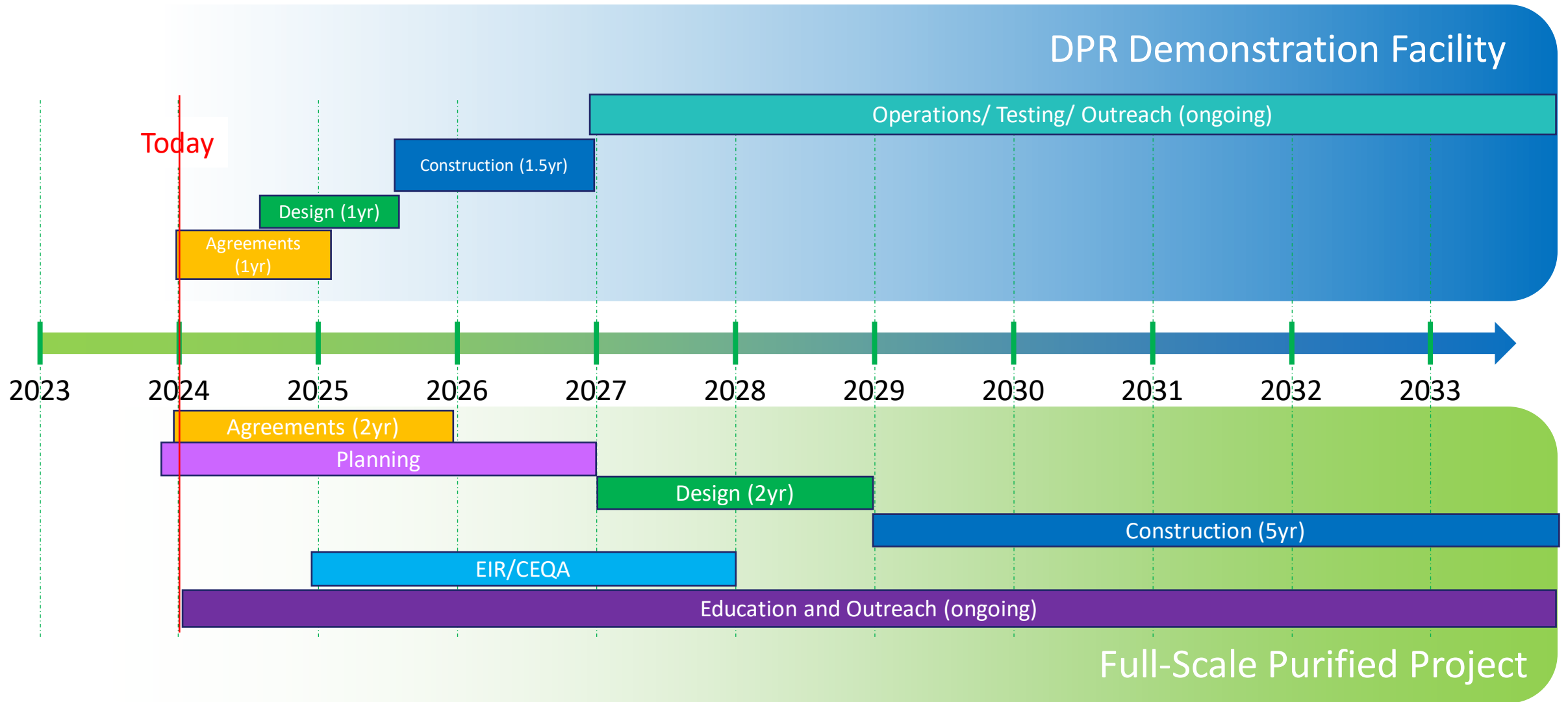
- Modifying existing agreements for demonstration Facility and developing agreements for the Full-Scale Facility
- Develop necessary data/information for the Agreements

Resources Needed: Scope - continued

Over the next three years, these staff will work on:

- Current and future studies as well as feasibility study and grants
- Collaborating on the DPR regulatory requirements, including formation of a Direct Potable Reuse Responsible Agency
- Facilitate planning approvals for the demonstration facility and learning center
- Reviewing conceptual designs and bid package for demonstration facility
- Collaborate on regulatory approvals
- California Environmental Quality Act (CEQA) and, National Environmental Policy Act (NEPA) analysis
- Private activity analysis for Regional Wastewater Facility (RWF) bonds
- Develop cost-effective waste management strategies including for Reverse Osmosis Concentrate

Draft Timeline for DPR Project in San Jose





Santa Clara Valley Water District

File No.: 24-0501

Agenda Date: 5/29/2024

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM Joint RWPAC with Cities of San Jose/Santa Clara

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Review of Proposed Fiscal Year 2024-2025 Budgets for Silicon Valley Advanced Water Purification Center and South Bay Water Recycling System.

RECOMMENDATION:

This item is informational as the Santa Clara Valley Water District Board of Directors and the San José City Council approved the proposed budgets for the ensuing fiscal year for the maintenance, expansion, replacement, improvement, and operation of the South Bay Water Recycling system and the Silicon Valley Advanced Water Purification Center.

SUMMARY:

On March 2, 2010, the Recycled Water Facilities and Programs Integration Agreement (Integration Agreement) was executed between the City of San José and Valley Water. This Agreement outlines the terms of the operational support payments upon commencement of operation of the Silicon Valley Advanced Water Purification Center (SVAWPC) as well as the policy considerations for blending the purified water produced by SVAWPC with the recycled water from City of San José and distributed via the South Bay Water Recycling system (SBWR). Pursuant to Article 3. Recycled Water Policy Advisory Committee, Powers and Duties, G.3., the Integration Agreement also specifically requires that on an annual basis, before May 1 of each year, that the parties review the budgets of SBWR and SVAWPC and make recommendations to the Santa Clara Valley Water District Board of Directors and the San José City Council on their respective proposed budgets for the ensuing fiscal year for the maintenance, expansion, replacement, improvement, and operation of the SBWR and the SVAWPC (Article 3.G.3 of Integration Agreement).

San Jose's staff proposed Fiscal Year 24-25 budget for SBWR is \$15,423,866, and Valley Water's staff proposed Fiscal Year 24-25 budget for the SVAWPC is \$8,024,244.

The proposed budgets are in line with the expected revenues and expenditures associated with the aforementioned water recycling systems and on a normal trajectory based on previous Fiscal Year budgets.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with this agenda item.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Kirsten Struve, 408-630-3138

Sam Bogale, 408-630-3505

4.2 Proposed O&M Budgets for SVAWPC and SBWR (FY 24-25)



SVAWPC O&M Highlights

Operations of SVAWPC proceeded smoothly in FY23.

- Total production of purified water was 1464 MG.
- Product water met all permit requirements.
- Reverse osmosis (RO) concentrate met all San José-Santa Clara Regional Wastewater Facility (RWF) requirements.

SVAWPC O&M Highlights

Valley Water continues to optimize plant operations and perform proactive maintenance at SVAWPC

- Performance evaluation of MF and RO membrane
- Annual autopsy and Clean-in-place of MF and RO
- Completed annual plant maintenance activities
- On-going MF valve replacement project

SVAWPC O&M Highlights



Hydroflushing and inspection of plant influent pipe



Autostrainers rehabilitation and cleaning



MF rack valve replacement



Tank Rehabilitation and Inspections

SWAWPC Budget (FY23-25)

Description	FY23 Actual	FY24 Adopted	FY25 Proposed
Energy	\$1,111,346	\$999,100	\$1,260,000
Chemicals	\$847,764	\$721,000	\$1,200,000
Labor	\$1,976,137	\$1,674,923	\$2,022,881
Other operations & maintenance (O&M) services & supplies	\$2,495,232	\$4,186,017	\$3,541,363
Sink Reserve Increase/(Decrease)	\$0	(\$1,298,138)*	\$0
Total O&M Cost	\$6,430,479	\$6,282,902	\$8,024,244

* The full balance of the Sinking Reserve (\$1,298,138) was allocated to fund the Reverse Osmosis (RO) membrane replacement in FY24, and these funds were expensed in FY15 and FY16 when placed in the Reserve. However based on the autopsy results, RO replacement will be pushed to FY25 and Sinking Reserve fund will be carried into FY25 as well.

SBWR OVERVIEW



- SBWR was constructed in 1992 as a wastewater discharge compliance measure.
- SBWR offset over 4 BILLION gallons of potable water in 2023.
- SBWR continues to serve as a key solution to maintaining outdoor spaces during droughts.
- SBWR supports critical infrastructure and economic growth.



SBWR O&M Highlights



SBWR met all permit requirements.

SBWR continues to perform maintenance operations and upgrades of aging infrastructure.

- Phase I/II Metering and Pressure Monitoring Improvements
- Completed Pump Station #5 Bypass
- Completed Drainage Improvements at pump stations and reservoirs
- System Improvements, including blow-offs and truck-fills
- Security Improvements



SBWR Budget (FY23-25)



Preliminary SBWR Budget Projection

Description	FY23 Actual	FY 24 Adopted	FY25 Proposed
Program Administration, Permitting and Compliance	2,787,262	5,393,715	4,829,179
System Operations and Maintenance	5,604,737	10,483,939	9,543,950
Capital Planning and Engineering (Studies)	209,200	202,847	264,655
Communication and Outreach	13,607	50,755	34,441
City of San José Overhead and Capitated Services	785,816	683,310	751,641
TOTAL SBWR Operating Expenses	9,400,622	16,814,566	15,423,866
SBWR Wholesale Recycled Water Sales	16,483,422	18,110,284	19,167,632
City Net Operating Cost: (Savings)	(7,082,800)	(1,295,718)	(3,743,766)
City Net Operating Revenue	7,082,800	1,295,718	3,743,766

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