



# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**FROM:** Vice Mayor Chappie Jones  
Councilmember David Cohen  
Councilmember Sergio Jimenez

**SUBJECT:** City of San José and Santa Clara  
Valley Water Efforts Toward  
Purified Water Project

**DATE:** September 1, 2021

Approved

Date: August 26, 2021

## RECOMMENDATION

1. Coordinate with the Santa Clara Valley Water District (Valley Water) to immediately select a mutually agreed upon subject matter expert to facilitate negotiation meetings between the City of San José and Valley Water.
2. Both parties are to enter the first negotiation meeting with a clear, concise, and detailed term sheet which would clarify negotiation outcomes for January 2022.
3. Accept a written letter from Valley Water indicating Valley Water's commitment to pay for City support services for an amount adequate to fund all costs incurred by the City to support negotiation of new agreements including legal services and a facilitator; and authorize the City Manager to negotiate and execute a Master Agreement for Valley Water's payment for City services required to support negotiations related to the purified water project consistent with the City Council's direction from April 13, 2021.
4. Continue to hold check-in meetings, as needed, comprised of elected officials and/or representatives from the San José City Council and Valley Water Board of Directors.
5. Provide verbal reports of progress from San José City staff to the Transportation & Environment Committee and Treatment Plant Advisory Committee.
6. Place this item on the September 14, 2021 Council Agenda for action.

## ANALYSIS

This memorandum is a result of continued conversations between the City of San José and Valley Water regarding purified water efforts in Santa Clara County. Both the City of San José and Valley Water acknowledge the importance of prioritizing the pursuit of expanded recycled water use to increase local, drought-resilient supply and reduce reliance on imported water.

Taking into consideration the lack of significant progress pertaining to previous direction given by the San José City Council earlier this year, we are recommending that city staff work with Valley Water to immediately select a mutually agreed upon facilitator to expedite the negotiation process, while taking

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into consideration Council direction from April 20<sup>th</sup> 2021. Mutually agreed upon would ideally require both parties to propose a few candidate facilitators and ultimately agree upon the proposed candidate. In addition, both parties would enter the first negotiation meeting with a clear, concise, detailed term sheet which would clarify negotiation outcomes for January 2022. Valley Water has agreed to provide a written letter indicating their willingness and commitment to provide financial resources to compensate for costs incurred by the City. On or about April 2021, the City provided a draft Master Agreement for payment of City services to support negotiation for Valley Water's consideration.

Throughout the negotiation process, we recommend that elected officials from the City of San José and Valley Water have check-in meetings to provide additional guidance if necessary and receive updates from staff regarding progress. These meetings are not intended to be a venue for negotiations between the elected officials and staff. Additionally, it is beneficial for city staff to provide verbal reports of progress to T&E and TPAC to ensure the inclusion of major stakeholders throughout the negotiation process.

The City and Valley Water share a history of working together. This project constitutes a continuation of this working history to increase the usage of recycled water, similar to Valley Water's collaborative efforts with the City of Palo Alto and Mountain View. A reliable supply of clean water is necessary for the environmental, economic, and social well-being of Santa Clara County and it is important that we continue working together to develop locally controlled, drought-resilient supplies.

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.*