



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.
4. Continue to hold bi-monthly check-in meetings 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 process 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 into consideration Council direction from April 20th 2021. Mutually agreed upon would ideally require

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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.

Throughout the negotiation process, we recommend that elected officials from the City of San José and Valley Water hold bi-monthly check-in meetings. These meetings will not involve negotiations but will serve as an avenue for elected officials from the City of San José and Valley Water to provide additional guidance if necessary and receive updates from staff regarding progress. Additionally, it is beneficial for city staff to provide verbal reports of progress to T&E, TPAC, and other relevant committee meetings to ensure the inclusion of major stakeholders and tributary agencies throughout the negotiation process.

The City and Valley Water share a history of working together. This project constitutes a continuation of this working history in an effort 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.