CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Jeffrey Provenzano

SUBJECT: **See Below**

DATE: June 1, 2026

Approved

Date: 6/9/26

COUNCIL DISTRICT: 4

SUBJECT: San José Municipal Water System's Water Supply Assessment for the Disk Drive Research and Development Facilities Project

RECOMMENDATION

Approve the San José Municipal Water System's Water Supply Assessment for the Disk Drive Research and Development Facilities Project.

SUMMARY AND OUTCOME

City Council approval of the Water Supply Assessment (WSA) will fulfill the requirements of the California Water Code and the California Environmental Quality Act. The WSA identifies the water supply sources available to meet Disk Drive Research and Development (R&D) Facilities Project's (Project) potable and recycled water demands.

BACKGROUND

A WSA has been prepared for the proposed Project as required by state law. The Project site is located approximately 0.5 mile north of Highway 237 and is accessed by Disk Drive in the San José Municipal Water System's (Muni Water) North San José/Alviso service area. The Project site, which consists of APNs 015-44-026 and 015-44-027, is currently developed with three warehouse buildings, a parking lot, and landscaping. The proposed Project includes construction of two new facilities – Facility 1 will be constructed on APN 015-44-026 (5087 Disk Drive) in place of an existing warehouse building that will be demolished, and Facility 2 will be newly constructed on APN 015-44-027 in an area currently containing a parking lot and landscaping.

California Water Code Section 10910 (Senate Bill 610) requires that water retailers prepare a WSA for certain types of proposed projects, including one that would demand an amount of water equal to or greater than that required by a 500-dwelling unit project. The Project includes an estimated water use of up to 1,069 acre-feet per year (AFY), which exceeds the 500-dwelling unit project threshold in Senate Bill 610.

The purpose of a WSA is to analyze and document sources of water supply, quantify water demands, evaluate drought impacts, and provide a comparison of water supply and demand so that a determination of water supply sufficiency can be made for large development projects in connection with the City's consideration of whether to approve the project. The WSA itself is not a project and is simply the initial step in determining whether a project is even possible on the site given the water supply.

Per Section 15155(b) of the California Environmental Quality Act Guidelines and Section 10910(g) of the California Water Code, the governing body of a public water system that will serve a "water demand project" must approve a WSA at a regular or special meeting of the governing body. In its role as the governing body for Muni Water, the City Council is the appropriate decision-making body for approving the WSA prepared for the Project at a regular City Council meeting.

ANALYSIS

The WSA (Attachment) assesses whether Muni Water's existing and future water supplies for the North San José/Alviso service area would be adequate to meet the Project's projected water demands. Muni Water is the water retailer for the area and will be supplying both potable and recycled water to the Project for the new R&D facilities and its ancillary uses.

The Project would require potable water to meet domestic uses associated with employees such as indoor lavatories/toilets, showers, and kitchens, and recycled water to provide water supplies for the array of cooling towers supporting the R&D facilities. R&D servers generate heat and require cooling. The need for cooling increases when outside ambient temperatures are higher, particularly in the summer months (June through August). The Project is considering two potential cooling systems scenarios: max water-cooled scenario and mixed water-cooled scenario. Under the max water-cooled scenario, the Project includes a total of 28 cooling towers, which would utilize approximately 1,066 AFY of water. Under the mixed water-cooled scenario, the Project includes 14 cooling towers, which would utilize approximately 533 AFY of water. The WSA conservatively considers total maximum projected water supplies associated with the maximum water-cooled scenario.

The WSA projects maximum total water demands attributable to the Project to be approximately 1,070.2 AFY, which is equivalent to approximately 1 million gallons per day. Of this total, 1,066 AFY is projected to be supplied from recycled water and 4.2 AFY is projected to be supplied from potable water. All of the recycled water demand is attributable to the R&D industrial cooling supply. The Project would not use potable water as a backup source to operate the cooling towers in place of recycled water; however, it is expected that up to 7,000 gallons of potable water from the site's domestic water service would be used over a period of two to three hours for shut-down procedures, which would be required in the event of unplanned recycled water outage.

The normal potable demands associated with the proposed Project fall into growth forecasts for indoor industrial site water uses put forth in Muni Water's 2020 Urban Water Management Plan. While recycled water supply is available to serve the Project's recycled water demand, the Urban Water Management Plan did not include this specific project in the growth assumptions.

As discussed in the WSA, potable water is provided to Muni Water's North San José service area from the San Francisco Public Utilities Commission (SFPUC). In 2009, San José entered into both a master Water Supply Agreement (the agreement common to all wholesale customers of SFPUC) and a Water Sales Contract (specific to Muni Water) with the SFPUC. The City currently has a contract for up to 5,041 AFY (4.5 millon gallons per day); this contract is both temporary and interruptible. The Water Supply Agreement with SFPUC was amended and restated in 2018, 2021, and 2025 and will remain in place until June 30, 2034, unless extended by up to two additional five-year option terms.

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is expected at this time.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, City Manager's Budget Office and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 23, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Statutorily Exempt, File No. PP17-001, Feasibility and Planning Studies; CEQA Guidelines Section 15262.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
Jeffrey Provenzano, P.E.
Director, Environmental Services

For questions, please contact John Tang, Deputy Director, Environmental Services Department, at (408) 277-3288.

ATTACHMENT: Draft Water Supply Assessment

Draft

DISK DRIVE RESEARCH AND DEVELOPMENT FACILITIES

Water Supply Assessment

Prepared for
City of San José

May 2026

ESA

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Water Supply Assessment

Appendix A

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SECTION 1
Introduction

In 2001, California adopted Senate Bills (SB) 610 and SB 221, thereby amending the California Water Code (Water Code).[1] Under these laws, certain types of development projects are required to provide detailed water supply assessments to planning agencies. Any proposed project that is subject to the California Environmental Quality Act (CEQA), and meets specific land use change criteria or would generate new water demands equal to or greater than 500 dwelling units is required to prepare a Water Supply Assessment (WSA).

The primary purpose of a WSA is to determine whether the identified water supplier will be able to meet the total projected water supply demands associated with the proposed project, in addition to existing and planned future uses, over a 20-year planning period in normal, single dry, and multiple dry water years. Secondarily, a WSA provides decision-makers with a regional framework on which to base a decision about the sufficiency of water supplies for construction and operation of a proposed project.

This WSA has been prepared for the Disk Drive Research and Development (R&D) Facilities Project (Project) proposed by Google (Project Applicant) in the City of San José (City). The Project proposes the demolition of an existing 162,250 square foot warehouse building and the construction and operation of up to 482,790 square feet of net new R&D use and ancillary uses. The Project Applicant is considering two potential site configurations as well as two potential cooling systems. Each scenario would include a substation and switching station.

The Project is subject to CEQA and would create water demand equivalent to the water demand of 500 residential units, thus requires preparation of a WSA pursuant to Water Code Section 10912(a) (refer to **Appendix A** for details).

This WSA has been prepared to help inform Project decisions from the Project Applicant, local water suppliers and regional agencies, and the public about the availability of identified water supplies under normal, single dry, and multiple dry year conditions, accounting for the maximum total projected water demand of the Project in addition to other existing and planned future uses of the identified water supply. This WSA is not intended to directly address any CEQA impact topics; however, the analysis, findings and conclusions contained in the WSA can be used to inform and support water resources planning topics discussed in the CEQA documents for the Project. **Appendix A** provides additional water supply planning information related to the need for and development of this WSA.

2025 Timing, Data Gaps and Analysis

This WSA was prepared in late 2025 and early 2026, at the end of the five-year lifespan of the San José Municipal Water System's 2020 Urban Water Management Plan (UWMP) but before the 2025 UWMP was available. This analysis references the 2020 UWMP.

1.1 Document Structure

This WSA is organized as follows:

Section 1. Introduction: Introduction to the Project, WSAs, and their relationship to CEQA, and document structure

Section 2. Land Use Designation and Population Information**:** Project land use designation and zoning, surrounding land uses and population information

Section 3. Project Description**:** Project description including the Project location, Project characteristics and water demand estimates for Project construction and operations

Section 4. Water Demand: *Water demand (historical and projected), and climate change impacts on water demand*

Section 5. Water Supply Setting**:** Water supply setting including local climate, regional, and local water supply sources (groundwater and recycled water), a summary of existing and planned sources of water, and constraints on water supply

Section 6. Water Supply and Demand Comparison**:** Comparison of water supply and demand including water supply reliability under normal, single dry, and multiple dry years and a drought risk assessment

Section 7. Conclusion and Recommendation**:** Conclusions of this WSA and recommendations

Section 8. References**:** A list of references

SECTION 2
Land Use Designation and Population Information

2.1 Existing Project Site and Surrounding Characteristics

The Disk Drive R&D Facilities Project site (Project site) is within the limits of the City of San José (City). The site is within the Midpoint Project site identified in the Midpoint at 237 Office and Industrial Project Addendum (2014 Addendum) as approximately 57 acres located on the east side of North First Street, bounded on the northwest by Alviso Park and George Mayne Elementary School, on the north by open space and beyond by residential uses across Grand Boulevard, on the east by Disk Drive, and on the south by Nortech Parkway. The Midpoint Project site is currently developed with three warehouse buildings and four office buildings. The entire site is currently zoned as Combined Industrial/Commercial (CIC).

The Project site consists of approximately 10.39 acres on APN 015-44-026 (5087 Disk Drive) currently developed with a warehouse building (Warehouse 2), and approximately 6.44 acres on APN 015-44-027, currently developed with parking, and landscaping (see **Figures 1 and 2**). In total, the Project site comprises approximately 16.83 acres.

2.2 Surrounding Land Uses

Adjacent land uses include George Mayne Elementary School and Alviso Park to the southwest and west, a Google warehouse to the northwest (5093 Nortech Parkway [Warehouse 1]) with San José Fire Station #25 and the Alviso single-family residential area further to the northwest, open space and a church to the east, and office and light industrial uses to the south and southeast.

2.3 Local and Regional Population

As shown in **Table 2-1**, the population is expected to increase over the next 25 years. The City's 2040 General Plan projects a 2040 population of over 1.3 million people (City of San José, 2024). Table 2-1 presents current and projected population for the portion of the City served by the San José Municipal Water System (SJMWS), the potable and recycled water retailer for the Project site, as well as 12 percent of the City's current population.

TABLE 2-1
POPULATION – CURRENT AND PROJECTED

Year	2020	2025	2030	2035	2040	2045
SJMWS Service Area[1]	132,644	150,368	168,092	194,983	217,685	222,661

Notes:
Source: City of San José 2020 Urban Water Management Plan, Table 3-2

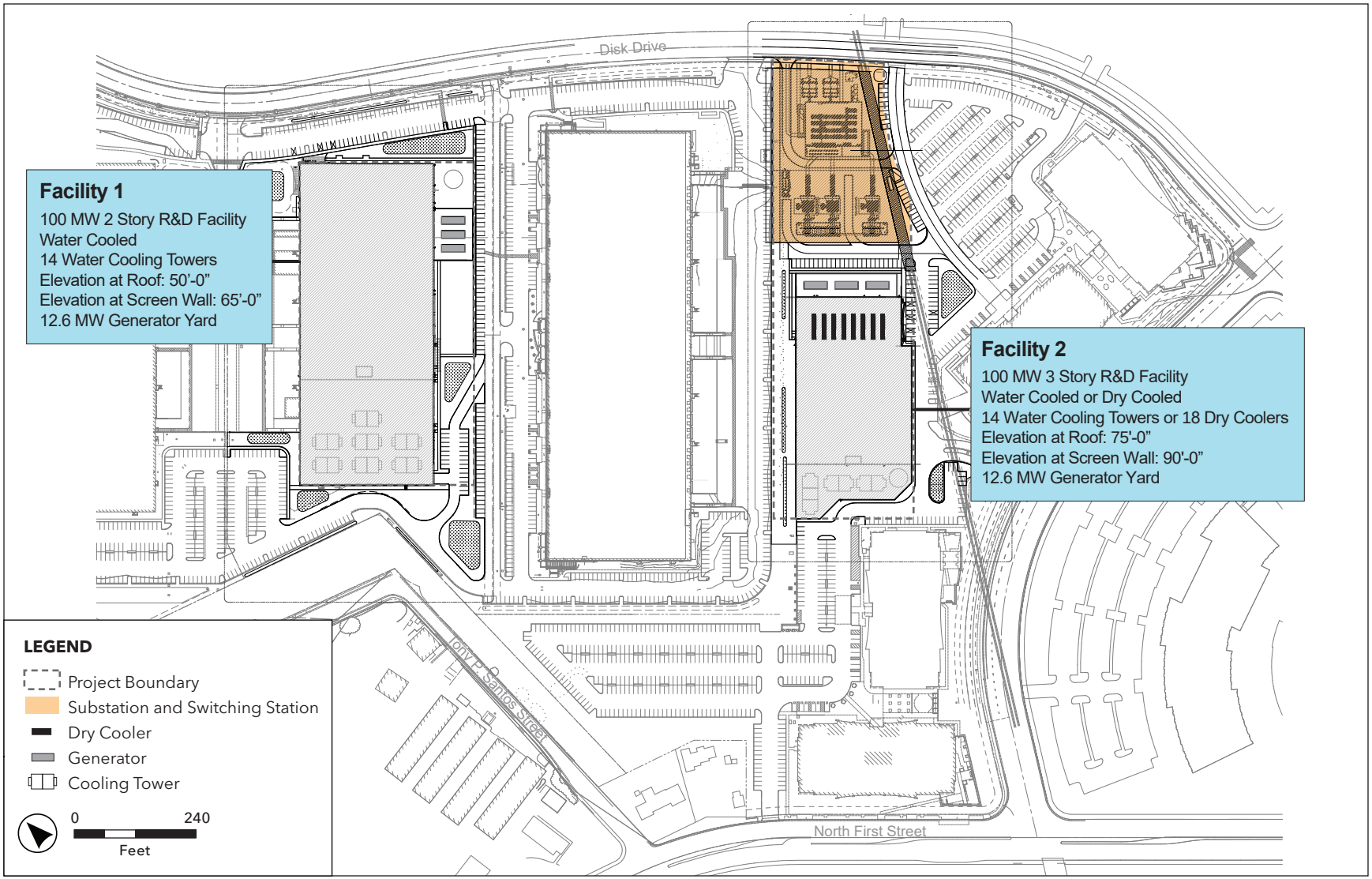

Figure 1
Disk Drive R&D Facilities Project Scenario 1
Source: Salas O'Brien February 18, 2026

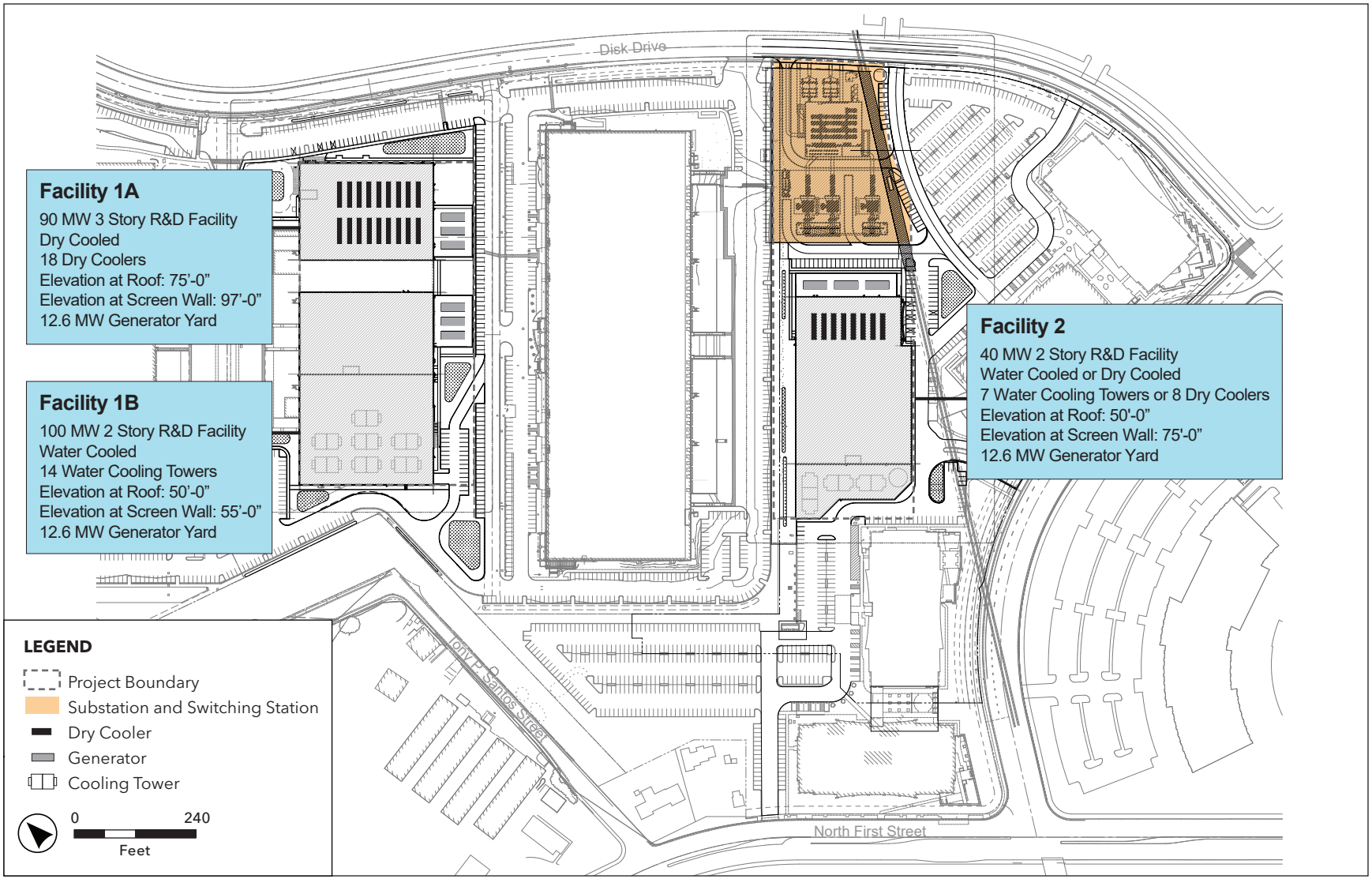

Figure 2
Disk Drive R&D Facilities Project Scenario 2
Source: Salas O'Brien March 11, 2026

SECTION 3
Project Description

3.1 Overview

Google is proposing to set aside portions of its Midpoint campus in North San José for potential development of R&D uses (Project). The Project proposes the demolition of an existing 162,250 square foot warehouse building and the construction and operation of up to 482,790 square feet of R&D facilities relying on up to 230-megawatt (MW) of electricity along with a supporting substation and switching station. The Project Applicant is considering two Project site configurations and two potential cooling systems. This WSA conservatively considers water-cooling for up to 200 MW of use, referred to the Max Water-Cooled Scenario, and equipped with 28 cooling towers using recycled water. It also addresses water-cooling required for up to 100 MW of use, referred to as Mixed Water-Cooled Scenario, and equipped with 14 cooling towers using recycled water. The Max Water-Cooled Scenario would demand approximately 1,066 acre-feet per year (AFY) of recycled water to serve the 28 cooling towers. The Mixed Water-Cooled Scenario would demand approximately 533 AFY of recycled water to serve 14 cooling towers Both scenarios are discussed and evaluated in this analysis.

The Project site is within the City in the County of Santa Clara. The Project site is approximately 0.5 miles north of Highway 237 and is accessed by Disk Drive. The Project is in the Alviso Specific Plan Area. The Midpoint Project site, which encompasses the Project site, is bound on the northwest by Alviso Park and George Mayne Elementary School, on the north by open space, on the east by Disk Drive, and to the south by Nortech Parkway. The Project site, which consists of APNs 015-44-026 and 015-44-027, is currently developed with three warehouse buildings (5079 Disk Drive, 5087 Disk Drive, and 5093 Disk Drive), parking, and landscaping (see **Figure 2**). Two previous environmental documents have been completed regarding the Project site—the Final Environmental Impact Report for the Cisco Systems, Inc. Site 6 Project (SCH# 99082003) (2000 EIR) and the Addendum for Midpoint at 237 Office and Industrial Project (2014 Addendum). The Project would not result in an increase in square footage relative to the project analyzed in the 2000 EIR or its 2014 Addendum. Previous project sites, including the Cisco Site 6 and Midpoint project sites, as well as the proposed Project boundary, are delineated in Figure 1. The facilities would require up to 150 full-time employees.

3.2 Project Facilities, Components and Cooling Process

The Project would require supporting facilities, including a switching station and substation. Each facility would include emergency generators to provide backup electricity in case of a power failure. Each facility would also include support mechanical engineering and plumbing, including cooling towers to efficiently manage the heat generated by servers and other equipment associated with R&D use.

The Project would operate 365 days a year, 24 hours a day and would require water to effectively operate the cooling tower systems and maintain safe operating temperature within the facilities. As noted above,

recycled water under the Max Water-Cooled Scenario would serve a total of 28 cooling towers, and recycled water under Mixed Water-Cooled Scenario would serve a total of 14 cooling towers.

The Project would connect to the existing 12-inch potable and 16-inch recycled water mains in Disk Drive. An existing 16-inch recycled water main currently travels through an existing easement within the project area.

3.3 Project Water Demand

R&D servers generate heat and require cooling. The need for cooling increases during higher outside ambient temperatures, particularly in the summer months (June through August). Under the Max Water-Cooled scenario, the Project includes a total of 28 cooling towers, which would utilize approximately 1,066 AFY. Under the Mixed Water-Cooled Scenario, the Project includes 14 water-cooled towers, which would utilize approximately 533 AFY. Water demand for cooling R&D servers would be supplied by recycled water. The Project would also utilize water for construction and operational domestic water to support employment. Each is discussed in more detail below.

3.3.1 Construction Water Use

Construction activities for the Project would occur on approximately 16.86 acres. The Project's demolition, site preparation, grading, building construction, paving, on- and off-site infrastructure improvements, and architectural coating phases would take place over a period of approximately four years. Construction would take place in four phases with construction of the Disk Drive Substation/Switching Station and Facility 1 preceding construction of Facility 2.

Based on projects of similar size and duration, a conservative estimate of construction water use for the Project is up to 50 gallons per day per 1,000 square-feet (gpd/1,000 sf) of development. This estimate, used generally in water supply analyses for industrial projects, is conservative given that it assumes a more comprehensive list of construction activities than those required for this Project. **Table 3-1** presents estimated water use to construct the Project facilities based on the estimated construction periods. As shown in Table 3-1, total water use for construction activities is estimated to be approximately 22.1 acre-feet (AF over the Project's four-year construction timeframe.

TABLE 3-1
ESTIMATED WATER USE FOR PROJECT CONSTRUCTION

Project Facilities	Approximate Square Footage[1]	Construction Period (Months)	Total Construction Water Demand (AF)
Midpoint Warehouse 2 to be demolished	162,250	1	0*
R&D Facility Development	482,790	48	21.0
Substation[2]	67,000	5	1.1
Total	**548,790**		**22.1**

Notes:

* Due to the short construction duration and facility size, water demand associated with demolition of this facility would be less than 1 AF.

1. Building square footage rounded to the nearest hundredth.
2. The Substation and Switching Station site area of 67,000 square feet is assumed as the development square footage for the purposes of a conservative analysis. Development of the structure will be significantly smaller. Construction is assumed to be concurrent with R&D facility construction activities.

Source: Data compiled by ESA, 2025

3.3.2 Water Demand - Operations

The Project would require City-supplied potable water for indoor facilities, i.e. lavatories/toilets, showers, and kitchens and additional recycled water supplies for the array of cooling towers supporting the facilities. Recycled water may also be used to meet domestic water demands for lavatories or toilets; however, for a conservative potable water demand estimate, this analysis assumes that potable water would be used to meet all domestic water demand. The following discussions present the water demand for domestic and R&D/industrial cooling uses at the Project site.

The project will replace existing irrigation, which will be supplied by grey water captured on site and is therefore excluded from this analysis.

Domestic Water Use

Table 3-2 presents estimated domestic water use during Project operations. Domestic water use is generated by lavatories/restrooms, and kitchenettes within the facilities. The United States Environmental Protection Agency provides a water demand estimate between 10 and 25 gallons of water for sanitation needs per employee per shift, depending on the facility. Conservatively assuming the Project would provide lavatories/restrooms, and kitchenettes; the water demand estimate would be approximately 25 gallons of water per employee per shift.

As noted above, this WSA conservatively assumes a total of 150 employees to cover three 8-hour daily shifts for the Project. This would equate to approximately 1,368,750 gallons of water per year for domestic uses, or 4.2 AFY.

TABLE 3-2
ESTIMATED DOMESTIC WATER USE

Water Use (AF)[1]	
Domestic - Indoor	4.2
Total	**4.2**

Notes:

1. Employment estimates were provided by the Project Applicant and present conservative estimates of anticipated water demand.

Cooling Tower Water Use

Max Water-Cooled Scenario

As discussed above, R&D water demand for the facilities would vary slightly based on seasonality, with peak monthly water use of 99 AF per month during summer months, and 84 AF per month during winter months for cooling purposes (Arup, 2025). The calculated maximum daily demand would be 1.1 million gallons per day (MGD) and an average of 1,066 AFY. Daily, monthly (average and peak) and annual cooling tower water is presented in **Table 3-3**.

TABLE 3-3
ESTIMATED RECYCLED WATER DEMAND FOR MAX WATER-COOLED SCENARIO

Maximum Makeup Water	Peak Daily	Monthly	Peak Month	Average Annual
Gallons	1,072,745	28,959,652	32,182,362[2]	347,515,826
Acre-Feet	3	89	99	1,066

Notes:

1. Water use estimates were provided by the Project Applicant and present conservative estimates of anticipated water demand.
2. Peak water demand is expected to increase in summer months due to increased evaporation rates; winter month water demands are expected to be 85 percent of peak demand.

Source: Arup, November 2025

The recycled water use analysis assumes three cycles of concentration before blowdown[2] and make-up water is added to the cooling tower systems. Peak evaporation rates, which would primarily occur during summer months when outside temperatures are warmer, would be 18.97 gallons per minute (GPM). Therefore, peak monthly water use would also occur during summer months.

Mixed Water-Cooled Scenario

The Mixed Water-Cooled Scenario would require half the amount of cooling towers as the Max Water-Cooled Scenario. Recycled water demand assumptions, such as TDS concentration ranges, peak evaporation, and the number of cycle concentrations would be consistent with the Max Water-Cooled Scenario. **Table 3-4** provides the daily, monthly (average and peak) and annual cooling tower water demand for the Mixed Water-Cooled Scenario.

[2] Blowdown, sometimes referred to as "bleed-off" is the controlled discharge of a portion of circulating water to limit the buildup of dissolved solids and impurities.

TABLE 3-4
ESTIMATED RECYCLED WATER DEMAND FOR MIXED WATER-COOLED SCENARIO

Maximum Makeup Water	Peak Daily	Monthly	Peak Month	Average Annual
Gallons	536,373	14,479,826	16,091,181[2]	173,757,913
Acre-Feet	2	44	49	533

Notes:

1. Water use estimates were provided by the Project Applicant and present conservative estimates of anticipated water demand.
2. Peak water demand is expected to increase in summer months due to increased evaporation rates; winter month water demands are expected to be 85 percent of peak demand.

Source: Arup, November 2025

Water Supply Contingency Measures

As previously described, the Project would use recycled water for cooling towers under both water-cooled scenarios, however, recycled water service may experience interruptions from planned maintenance or unplanned outages. Moreover, South Bay Water Recycling (SBWR) requires projects using 500 GPM or more of recycled water who need uninterrupted service to implement contingency measures as necessary for their operations (SBWR, 2025a). Under the Max Water-Cooled Scenario, the Project would have a peak water demand of over 1,000 GPM. Under the Mixed Water-Cooled Scenario, the Project would have a peak water demand of just over 500 GPM.[3] Therefore, the Project would be required to develop contingency measures to mitigate any recycled water outages. The Project would not use potable water to operate the cooling towers in place of recycled water.

During an emergency or unplanned recycled water outage, the Project would initiate a controlled shut down. For cooling towers under both scenarios, no potable makeup water would be added during the controlled shut down period, and the cooling towers would continue to run while the facility operations ramp down to being fully offline. Full ramp-down would occur in less than an hour, during which potable water from the site's domestic service would be used to clean the cooling towers, a process that takes between two and three hours and would use between 3,500-7,000 gallons of potable water. Because this potable water use would be both of a short duration and occur very infrequently, the volume of potable water associated with the controlled shutdown activity is excluded from potable water use summaries within this analysis.

During planned water outages, and either planned or unplanned electrical outages, the Project would have adequate time to conduct a controlled shut down and ramp down the cooling towers with recycled water and would therefore not require potable water use to complete the ramp down process.

Once a planned or unplanned outage has been resolved, the rate of recycled water demand will not increase. Any depleted recirculated water would be added back to the cooling tower system at the same makeup water rate as described in section 3.3.2 above.

[3] Water demand in gallons per minute is calculated using the peak month water demand, in gallons, divided by the average number of minutes in a month.

Operational Water Demand Management

As discussed above, operational water demand would primarily be comprised of demand for domestic and cooling towers. Under both water-cooled scenarios, the Project would use recycled water for the cooling towers, which is expected to be available for all water year types, i.e. normal, single dry and multiple dry years. For cooling purposes, recycled water demand would remain unchanged across all water year types. During single dry and multiple dry years, the City may implement demand reduction measures to manage limited potable water supply supplies. The Project, like all customers within SJMWS' service area, would have to implement potable water conservation measures consistent with the demand management measures described in the UWMP.

Table 3-7 presents the total water demand for the Project's operations.

TABLE 3-7
TOTAL WATER DEMAND (RECYCLED AND POTABLE) FOR PROJECT OPERATIONS

Scenario	Operational Use	Acre-Feet per Year
Max Water-Cooled	R&D	1,066
	Domestic	4.2
	Total[2]	**1,070.2**
Mixed Water-Cooled	R&D	533
	Domestic	4.2
	Total[2]	**537.2**

Notes:
1. R&D water use is met through recycled water.
Source: Arup, November 2025

SECTION 4
Water Demand

This section presents SJMWS' historical and projected water demand through 2045 as presented in the SJMWS 2020 UWMP. This section provides the basis for the water supply reliability and drought assessment presented in Section 6.

4.1 Historical and Projected Water Demand

4.1.1 SJMWS Existing Service Area Water Demand

Current potable water demand in the Project area is provided by SJMWS. **Table 4-1** depicts the actual water use in 2020 by customers in the SJMWS combined service area.

TABLE 4-1
2020 ACTUAL WATER USE IN SJMWS COMBINED SERVICE AREA (AFY)

Water Use Category	2020 Actual Water Use		
	Additional Description	Level of Treatment When Delivered	Volume[1]
Single Family		Drinking Water	7,920
Multi-Family		Drinking Water	2,694
Commercial		Drinking Water	1,040
Industrial		Drinking Water	1,837
Institutional/Governmental		Drinking Water	176
Landscape	Irrigation	Drinking Water	2,873
Losses[2]			1,006
		TOTAL	**17,546**

Notes:

1. Demand projections include water savings estimated to result from adopted codes, standards, and ordinances.
2. For current and future water demand projections, water losses are reflected as the difference between water supplied and water consumed (based on customer billing records) to reflect the overall mass balance of supplies compared to demands.

Source: City of San José 2020 Urban Water Management Plan, Table 4-1

4.1.2 Recycled Water Demand

SBWR delivers close to four billion gallons of recycled water per year to more than 1,100 customers. In peak months, SBWR delivers an average of 22 MGD of recycled water to existing customers. From 2019 to 2023, SBWR delivered an average dry season flow of approximately 11 MGD of recycled water to existing customers (SBWR, 2025a).

Table 4-2 summarizes SJMWS' current and projected recycled water demand for various water use types identified in the 2020 UWMP. As presented, SJMWS estimates increasing water demand across all water use types through 2045, including industrial uses.

TABLE 4-2
SJMWS RECYCLED WATER SUPPLY AND DEMAND – PROJECTED (AFY)

Water Demand	2025	2030	2035	2040	2045
Landscape Irrigation	2,444	2,887	3,432	4,155	4,180
Industrial Use	2,332	2,569	2,847	3,213	3,233
Recycled Water Total	**4,776**	**5,456**	**6,279**	**7,368**	**7,413**

Notes:
Recycled water supply in all years equates exactly to recycled water demand.
Source: City of San José 2020 Urban Water Management Plan, Table 6-5.

4.1.3 Total Water Demand in the SJMWS Combined Service Area

Table 4-3 summarizes the total projected water demand for potable and non-potable water, and recycled water within SJMWC's service area. Projected water demand is calculated based on use projections based on use type. SJMWS used existing data on job and population growth, as well as new service connections added between 2015 - 2020 to project water demand through 2045. SJMWS anticipates significant growth in demand over the next 20 years. The increase in demand is attributable to the proposed development as identified within the Envision San José 2040 General Plan, however on-going water conservation measures to reduce demand are also projected, particularly within the residential sectors.

TABLE 4-3
TOTAL WATER DEMAND – CURRENT AND PROJECTED (AFY)

Demand Type	2025	2030	2035	2040	2045
Potable Water	21,080	24,156	27,343	32,815	33,552
Recycled Water	4,776	5,456	6,279	7,368	7,413
Total	**25,856**	**29,612**	**33,622**	**40,183**	**40,965**

Note:
Source: City of San José 2020 Urban Water Management Plan, Table 4-3

4.2 Climate Change Impacts on Water Demand

Climate change impacts such as warmer temperatures, decreased snowpack, increased weather extremes, and prolonged droughts pose significant challenges to water resource management. Climate change is expected to affect future water demands. While the effects of climate change on demand are not certain, it is anticipated that warmer temperatures and altered rainfall patterns associated with climate change could lead to greater water demands. According to a climate study conducted by Valley Water, average annual maximum temperature within Santa Clara County could increase by 2.0 degrees Fahrenheit by 2050 under the business-as-usual scenario, while precipitation in Santa Clara County will continue to exhibit

high year-to-year variability with very wet and very dry years. Projected future increases in temperature can lead to:

1) increased irrigation demands for outdoor landscape or agricultural uses;
2) increased water use in cooling systems; and
3) increased drought severity and/or length, which could increase the need to request drought-related water use reductions (Valley Water, 2021b).

Water wholesalers are facing various challenges associated with imported water supplies, such as operational challenges and climate change. Both Valley Water and SFPUC are addressing future supply planning and are making efforts to address these challenges, including implementing water shortage contingency plans, diversifying water supply sources, and continually monitoring and managing existing water supply sources in all water year types (City of San José 2021a). Additionally, SJMWS has historically successfully implemented its Water Shortage Contingency Plan (WSCP) during periods of drought and/or extended dry periods, discussed in detail in Section 6.

SECTION 5
Water Supply Setting

5.1 Climate

The City has a Mediterranean climate, characterized by warm, dry summers and cool winters. Irrigation water demand is often high in the dry summer months and in winter is partially fulfilled by rainfall. The City averages 300 days of sunshine annually, with temperatures varying from an average of 50 degrees Fahrenheit in January to an average of 70 degrees in July with a mean precipitation of 15.08 inches. In addition to seasonal variation, the area's climate is subject to periodic droughts that impact water supply, such as the drought that occurred from 2012 to 2016 (City of San José 2021).

TABLE 5-1
CITY OF SAN JOSÉ MONTHLY AVERAGE CLIMATE DATA

Month	Standard Monthly Average ETo (inches)[1]	Average Total Rainfall[2] (inches)	Average Temperature (degrees Fahrenheit)[2]	
			Min	Max
January	1.24	2.88	40.9	58.1
February	1.68	2.69	43.5	61.9
March	3.41	2.31	45.2	65.4
April	4.80	1.20	46.9	69.5
May	6.20	0.44	50.5	74.2
June	6.90	0.10	53.8	79.0
July	7.44	0.02	56.1	81.8
August	6.51	0.07	56.2	81.3
September	5.10	0.19	55.2	80.4
October	3.41	0.76	51.3	74.3
November	1.80	1.50	45.3	65.2
December	0.93	2.41	41.5	58.5

Source: City of San José 2020 Urban Water Management Plan, Table 3-1

5.2 Water Supply Sources

Potable water would be required for the Project for water demand associated with staff employment. The Project would not use potable water to operate the cooling towers in place of recycled water.

Recycled water during Project operation would be sourced from treated wastewater from the RWF and delivered through the SBWR system (**Figure 3)**. Recycled water is discussed in Section 5.2.2, *Recycled Water*.

5.2.1 Potable Water

SJMWS is one of three retail water suppliers in the City and serves 12 percent of the City. SJMWS is owned and operated by the City, whereas the remaining retail water suppliers within San José are privately owned and would not supply water to the Project site. SJMWS provides water service to four different service areas, each with its own unique water sources: North San José/Alviso, Evergreen, Edenvale, and Coyote Valley as shown in **Figure 4.** SJMWS relies on four sources of supply: surface water imported from SFPUC, local and imported surface water from Valley Water, groundwater from the Santa Clara groundwater basin, and recycled water from the SBWR Program.

The Project site is in the North San José/Alviso Service Area, which comprises 5,600 acres and extends from Trimble Road on the south to the Alviso Slough on the north. The area is bordered on the west by the Guadalupe River and on the east by Coyote Creek. The land use is predominantly industrial, with some residential and commercial uses. The North San José/Alviso Service Area is classified as its own Public Water System, while the remaining service areas comprise a separate Public Water System (City of San José, 2021).

The North San José/Alviso Service Area water sources include SFPUC, groundwater, and recycled water discussed in detail below (City of San José, 2021). Based on actual water use from the City's water meter readings and billing system, total water demands in SJMWS service areas in 2020 were 17,546 AF of potable water and 4,097 AF of recycled water.

Water Sources

San Francisco Public Utilities Commission

The North San José/Alviso Service Area receives water from the City and County of San Francisco's Regional Water System, which is operated by the SFPUC. This supply is predominantly from the Sierra Nevada mountain range delivered through the Hetch Hetchy aqueducts, but also includes treated water supplied by the SFPUC from its local watersheds and facilities in Alameda and San Mateo counties. The SFPUC supply is primarily unfiltered Hetch Hetchy water with a blend of filtered Sunol Valley water. There are two turnout connections from SFPUC's Bay Division Pipelines Number 3 and Number 4 to the North San José/Alviso Service Area (City of San José, 2021).

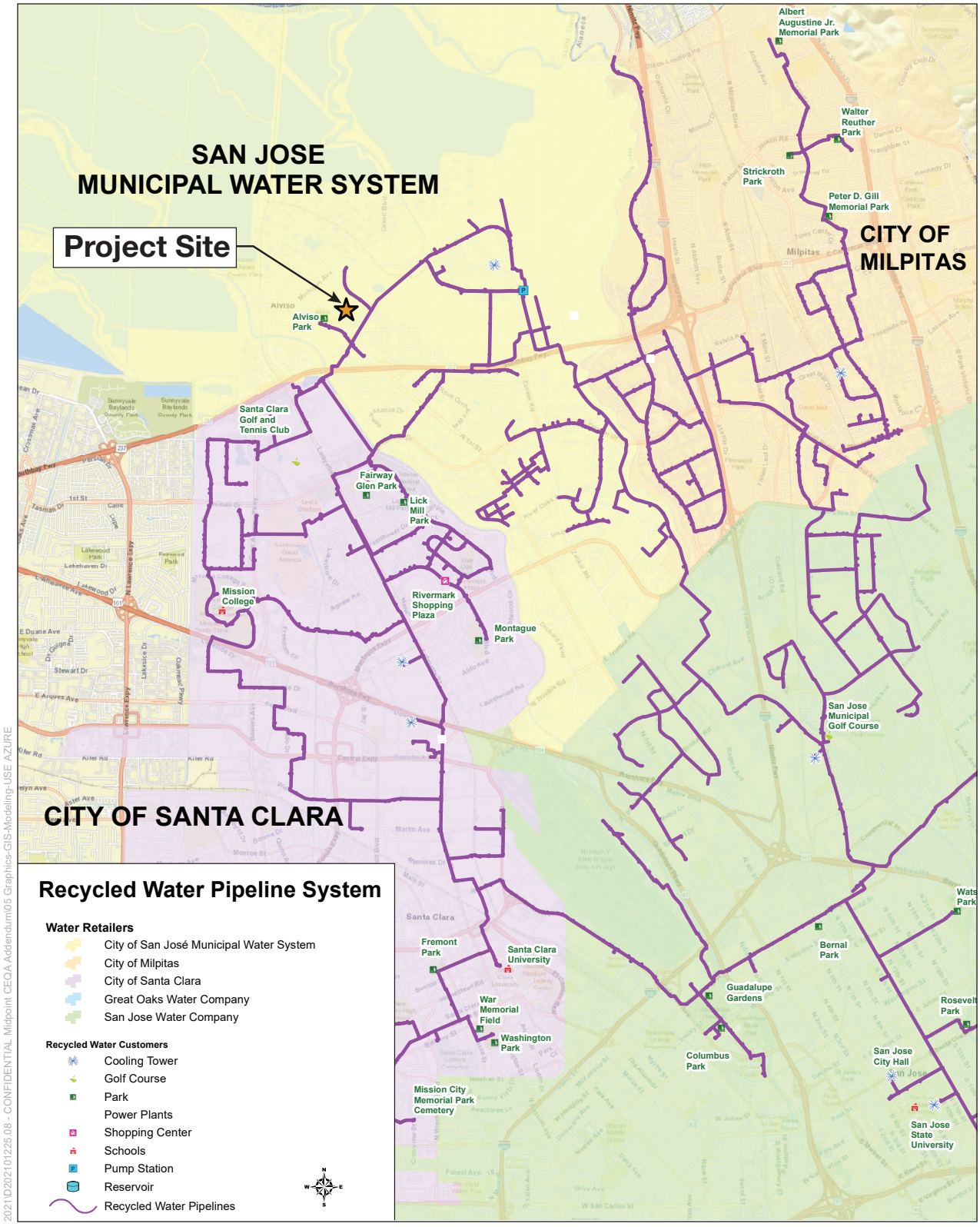

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Figure 3
Recycled Water Distribution Map
Disk Drive Research and Development Facilities

Figure 4
SJMWS Service Area
Disk Drive Research and Development Facilities

Water Contracts and Agreements

The business relationship between the SFPUC and its 26 wholesale customers is largely defined by the "Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County" (Water Supply Agreement) entered into on July 1, 2009, and amended and restated in 2018, 2021, and 2025. This 25-year Water Supply Agreement replaced the 1984 Settlement Agreement and Master Water Sales Contract and will expire on June 30, 2034, unless extended by up to two additional five-year option terms. The Water Supply Agreement addresses the rate-making methodology used by the SFPUC in setting wholesale water rates for its customers in addition to addressing water supply and water shortages for the RWS. SFPUC has a perpetual commitment (Supply Assurance) to deliver 184 MGD to the 24 permanent BAWSCA wholesale customers collectively. SJMWS is not one of the 24 permanent wholesale customers and instead holds a temporary and interruptible water supply contract with SFPUC. However, SFPUC must provide 10 years' notice to interrupt treated water deliveries. SJMWS has a supplemental Water Sales Contract with SFPUC which includes a temporary and interruptible allocation of 4.5 MGD or 5,039 AFY. In 2020, SJMWS purchased approximately 94 percent (4.05 MGD or 4,536 AF) of its allocation (City of San José 2021).

Water Shortage Allocation Plan

The Water Supply Agreement between San Francisco and its Wholesale Customers includes a Water Supply Allocation Plan (WSAP) that describes the method for allocating the SFPUC water supply between San Francisco's retail and wholesale customers during system-wide shortages caused by drought. The WSAP applies only when the SFPUC determines that a system-wide water shortage exists. Separate from a declaration of a water shortage emergency, the SFPUC may opt to request voluntary cutbacks from its retail and wholesale customers to achieve necessary water use reductions during drought periods.

The Tier One component of the WSAP allocates water between San Francisco and the wholesale customer agencies collectively. SFPUC and the wholesale customers most recently amended the Tier 1 Shortage Plan in 2025, and it will expire at the end of the term of the Water Supply Agreement in 2034 unless mutually extended by San Francisco and the wholesale customers. As amended in 2018, the Tier One Plan requires retail customers to conserve a minimum of 5 percent during droughts. If retail customer demands are lower than their allocation (resulting in a "positive allocation" to retail customers) then the additional water conserved by retail customers up to the minimum 5 percent level is deemed to remain in storage for allocation in future successive dry years.

The Tier Two component of the WSAP allocates the collective wholesale customer share among each of the 26 wholesale customers. The Tier 2 Plan was renegotiated and adopted by all wholesale customers in 2025. The Tier 2 allocations are based on a formula that takes into account multiple factors for each wholesale customer including:

- Residential population
- Non-residential "base" (i.e., indoor) use
- Seasonal uses
- Total RWS purchases in recent non-drought years
- Contractual supply allocations of each wholesale customer

The result of the Tier Two component is each wholesale customer's proportion, expressed as a percentage, of the available Tier One allocation. Implementation of the WSAP could affect potable water supply available to the SJMWS, which is discussed in further detail in Section 6.

Groundwater

Within Santa Clara County, Valley Water manages two groundwater subbasins that transmit, filter, and store water: the Santa Clara Subbasin (DWR Subbasin 2-900.02) and the Llagas Subbasin (DWR Subbasin 3-003.01), which cover a combined surface area of approximately 385 square miles. The Project is in the Santa Clara Subbasin.

Both the Santa Clara and Llagas subbasins contain young alluvial fill formation and the older Santa Clara Formation. Both formations are similar in character and consist of gravel, sandy gravel, gravel and clay, sand, and silt and clay. The coarser materials are usually deposited along the elevated edges of the subbasins, while the flat subbasin interiors are predominantly thick silt and clay sections inter-bedded with smaller beds of clean sand and gravel. Water enters the groundwater subbasins through recharge areas generally located at or near the subbasins' perimeter and is transmitted into the deeper confined aquifer of the central part of the valley. In the process, the water is filtered and becomes suitable for drinking. Eventually the groundwater reaches pumping zones, where it is extracted for municipal, industrial, and agricultural uses. The groundwater basin has vast storage capacity, enabling supplies to be carried over from wet years to dry years (City of San José 2021).

The Santa Clara Subbasin contains two subareas: the Santa Clara Plain and Coyote Valley. The Santa Clara Plain has a surface area of 225 square miles. The Santa Clara Plain is in a structural trough that is bounded by the Santa Cruz Mountains to the west and the Diablo Range to the east. The sub-area is approximately 22 miles long and narrows from a width of 15 miles near the County's northern boundary to about half a mile wide at the Coyote Narrows. Groundwater supplies from the Santa Clara Plain are available within the Project area.

Groundwater Management

Valley Water is the Groundwater Sustainability Agency (GSA) for the Santa Clara and Llagas subbasins and prepared the 2021 Groundwater Management Plan (GWMP; Valley Water, 2021b) as required by the Sustainable Groundwater Management Act (SGMA). The groundwater basin in Santa Clara County is not adjudicated and has not been identified or projected to be in overdraft by DWR. SGMA requires GSAs to develop and implement Groundwater Sustainability Plans (GSPs) or approved alternative plans to achieve groundwater sustainability. Valley Water's 2021 GWMP is an approved alternative GSP, and describes the agency's comprehensive groundwater management framework, including existing and potential actions to achieve basin sustainability goals and ensure continued sustainable groundwater management in the Santa Clara and Llagas subbasins (Valley Water 2021b). Valley Water's managed recharge program is critical to maintaining groundwater supply, because natural recharge (precipitation, runoff, and natural inflows) is insufficient to meet groundwater demands (Valley Water 2021a). As discussed above, Valley Water estimates up to 144,000 AFY of managed recharge capacity, including more than 90 miles of in-stream recharge plus 102 off-stream recharge (percolation) ponds. Valley Water monitors water levels and water quality at wells throughout the county. In addition, it evaluates data from local water suppliers to assess regional groundwater quality and identify potential threats so they can be appropriately addressed.

Valley Water also monitors the quality of water used for groundwater recharge to ensure groundwater resources are protected (City of San José, 2021).

Groundwater Quality

As part of the SWRCB's requirements for the Drinking Water Source Assessment and Protection Program, SJMWS staff conducted a drinking water source assessment of all fourteen groundwater wells within the SJMWS service areas. The drinking water source assessment determined that, in the North San José/Alviso service area, potential contamination sources include electronic manufacturing facilities, gas stations, leaking underground storage tanks, and sewer collection facilities. However, the location and design of existing wells, as well as local hydrology provide a high level of protection against contamination.

Additionally, Valley Water has ongoing groundwater monitoring and protection programs in order ensure high water quality and more reliable water supplies. Such programs include well permitting for construction and destruction, wellhead protection, land use and development review, contaminant management, saltwater intrusion programs, and providing technical assistance to regulatory agencies. Saltwater intrusion has previously occurred in the shallow aquifer beneath North San José/Alviso. However, in Santa Clara County, the aquifers that provide the primary drinking water source are protected by a natural barrier made up of extensive horizontal clay layers (City of San José, 2021).

Groundwater Supply Availability

Valley Water does not maintain a sustainable yield estimation for the Llagas and Santa Clara subbasins, which is defined as the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result. The estimated operational storage capacity of these subbasins is up to 548,000 AF. Valley Water's managed recharge capacity is up to about 144,000 AFY (City of San José, 2021a). Previously, Valley Water estimated that annual Santa Clara Plain pumping should not exceed 200,000 AFY. However, Valley Water does not currently rely on this estimate for annual operations or long-term supply planning (Valley Water 2021b).

Groundwater conditions throughout Santa Clara are sustainable, with managed and in-lieu recharge programs maintaining adequate storage to meet annual water supply needs and provide a buffer against drought or other shortages. Although groundwater levels declined during the 2012-2016 statewide drought, groundwater levels in the Santa Clara and Llagas subbasins quickly recovered after the drought through Valley Water's water supply management programs.

Groundwater is a source of supplemental water supply for SJMWS' North San José/Alviso service area. SJMWS owns and operates four groundwater wells in the North San José/Alviso service area. The wells, installed in 1981 and 1983, are 600 to 615 feet below ground surface (bgs) with screens generally between 200 and 615 feet bgs. The combined capacity of the four wells is approximately 6,500 GPM. However, only two of the wells are active wells, while the other two are maintained and permitted as backup wells for emergency water supplies. **Table 5-2** presents historic groundwater pumped in the Santa Clara Subbasin by SJMWS.

TABLE 5-2
HISTORIC GROUNDWATER VOLUME PUMPED (AFY)

Groundwater Type	Basin Name	2016	2017	2018	2019	2020
Alluvial Basin	Santa Clara Subbasin	654	312	851	938	885

Source: City of San José 2020 Urban Water Management Plan, Table 6-2

As discussed above, previous estimates of Santa Clara Plain sub-areas sustainable yield were approximately 200,000 AFY. While Valley Water does not use a specific sustainable yield, yearly water budgets are based on groundwater inflows and outflows. Groundwater inflows are categorized in the Valley Water GSP as managed recharge[4], natural recharge[5], and subsurface inflow[6]. Groundwater outflows include groundwater pumping, and subsurface outflows[7]. **Table 5-3** details the average yearly inflows and outflows in the Santa Clara Plain sub-area (referred to as Santa Clara Plain Principal Aquifer in the 2021 Groundwater Management Plan) from 2010-2019 (Valley Water 2021b).

TABLE 5-3
SANTA CLARA PLAIN SUB-AREA AVERAGE ANNUAL BUDGET (2010-2019)

Water Budget Component	Acre-Feet per Year
Inflows	
Managed Recharge	53,000
Natural Recharge	25,500
Subsurface Inflow	7,500
Total Inflow	**86,000**
Outflows	
Groundwater Pumping	75,500
Subsurface Outflow	7,500
Total Outflow	**83,000**
Change in Storage	**3,000**

Source: Valley Water 2021b

5.2.2 Recycled Water

Recycled water is defined as wastewater that is processed and cleaned through multiple levels of treatment and available for distribution as a non-potable water supply. Recycled water is a supply source used by SJMWS customers for non-potable uses such as landscape irrigation and industrial cooling.

4 Managed recharge represents direct replenishment by Valley Water using local and imported water.

5 Natural recharge includes the deep percolation of rainfall, natural seepage from creeks, and subsurface inflow from surrounding hills (mountain front recharge).

6 Subsurface inflow represents inflow from adjacent aquifer systems, including the Coyote Valley

7 Subsurface outflow represents outflow to adjacent aquifers in San Mateo County, Alameda County, and beneath San Francisco Bay.

Recycled Water System

Wastewater from SJMWS service areas is collected and treated at the San José/Santa Clara Regional Wastewater Facility (RWF) located at the southern end of San Francisco Bay, which has a design capacity of 167 MGD and treats an average of 110 MGD. In addition to the SJMWS service areas, the RWF treats wastewater from San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Monte Sereno and Saratoga, serving an area of over 300 square miles and a population of more than 1.4 million (City of San José, 2021a). Once treated, non-potable disinfected tertiary-treated recycled water from the RWF is conveyed through the SBWR system for delivery to existing customers for use for agriculture, landscape irrigation and industrial cooling purposes.

Valley Water's Silicon Valley Advanced Water Purification Center (SVAWPC) produces advanced-treated wastewater, which is blended with the disinfected tertiary treated recycled water supply and distributed within the SBWR system (**Figure 3**). Owned and operated by Valley Water, the SVAWPC is sited across the street from the RWF in San José. The SVAWPC was developed to enhance the quality of SBWR recycled water and currently uses many treatment processes to improve recycled water quality. The SVAWPC aims to establish the technical foundation for Valley Water's future potable reuse program, which would use advanced purified water to augment groundwater and/or surface water supplies.

The SBWR system consists of over 150 miles of pipelines, five pump stations, and 10 million gallons (MG) of storage. SBWR is a recycled water wholesaler to four retailers: San José Water Company, SJMWS, City of Santa Clara, and City of Milpitas.

Project Site Existing Recycled Water Infrastructure

Recycled water is currently used on the Project site for landscape irrigation. There is an existing 16-inch recycled water main running through the Project site from Disk Drive to Nortech Parkway within an existing utility easement. This line feeds an existing 12-inch recycled water line within Disk Drive along the Project site. The proposed removal or abandonment of the 16-inch line and installation of a new recycled water main in Disk Drive and Nortech Parkway was analyzed as a part of the Midpoint Project in the 2014 Addendum.

Recycled Water Reliability

According to SBWR, service disruptions may occur due to scheduled maintenance, unplanned outages, or operational constraints at the RWF and/or within the distribution system. For planned outages, SBWR conducts broad outreach and advanced planning to reduce impacts. For unplanned outages, broad and/or targeted outreach (as necessary) is shared as soon as information becomes available. Projects in Zone 1, such as the Project, have reduced vulnerability to planned and unplanned outages because Zone 1 has some level of redundant infrastructure and is close to the RWF; thus, some outages in the system would only affect recycled water customers further downstream.[8] Nonetheless, SBWR requires water supply contingency plans for all recycled projects with a demand of 500 GPM or greater where the project requires an uninterrupted supply source (SBWR, 2025a). Therefore, the Project needs to include a

[8] Water Supply Follow-up information April 8, 2025. Recycled Water meetings April 22, 2025 and June 2, 2025 with City of San Jose, Erica Garaffo, Large Load Energy Customer Development, and Darwin Lasat, Senior Environmental Program Manager.

contingency to cover potential planned and unplanned service interruptions. As discussed previously, the Project would not use potable water as a backup source to operate the cooling towers in place of recycled water; therefore, the Project's contingency plan is to perform a system shut down as described in Section 3 of this WSA

Recycled Water Supply

Current recycled water capacity at the RWF is approximately 38 MGD. However, all potential effluent received by the RWF could eventually be available for discharge, blending, or additional reuse. Wastewater availability may be impacted if environmental flow requirements are identified in the future. Therefore, given the capacity of RWF to treat 167 MGD, there is 71 to 79 MGD of effluent on average available for future water reuse. Currently, the remaining effluent is discharged into the San Francisco Bay.

SJMWS Recycled Water Use

SJMWS purchases recycled water from SBWR for deliveries and distribution within its service areas. Recycled water use projections are shown in **Table 5-4**. As shown in Table 5-6, demand and supply are equal as SJMWS only purchases recycled water to meet existing demand and does not store excess recycled water.

TABLE 5-4
SJMWS RECYCLED WATER SUPPLY AND DEMAND – PROJECTED (AFY)

Water Supply Source	2025	2030	2035	2040	2045
Recycled Water	4,776	5,456	6,279	7,368	7,413

Notes:

Recycled water supply equals recycled water demand in all water year types. The 2020 UWMP assumes that recycled water will be available in all water year types

Source: City of San José 2020 Urban Water Management Plan, Table 6-5.

5.3 Summary of Existing and Planned Sources of Water

Table 5-5 summarizes SJMWS's total projected water supply as documented in the 2020 UWMP, including groundwater and recycled water sources available through 2045. The recycled water supply for this Project is separate from the 2020 UWMP projections, because the UWMP did not include this specific project's R&D uses in the growth assumptions. Accordingly, it is considered as additive to the projected systemwide recycled water supply as documented here and in the UWMP.

TABLE 5-5
WATER SUPPLIES – PROJECTED (AFY)

Water Supply Source	2025	2030	2035	2040	2045
Purchased or Imported Water[1]	21,080	24,156	27,343	32,815	33,552
SJMWS Total Recycled Water[2]	4,776	5,456	6,279	7,368	7,413
Total[3]	**25,856**	**29,612**	**22,622**	**40,183**	**40,965**

Notes:

1. Purchased or Imported Water also includes groundwater as well as water sourced from SFPUC or Valley Water.
2. Recycled water supply in all years equates exactly to recycled water demand.

Source: City of San José 2020 Urban Water Management Plan, Table 6-10

5.4 Constraints on Water Supply

Reliability of the water supply for the SJMWS and the Project is determined based upon the reliability of recycled water from SBWR, wholesale supplies from SFPUC, and groundwater. Each water supply source and their respective constraints are discussed below.

SFPUC: The amount of imported water available to the SFPUC's retail and wholesale customers is constrained by hydrology, physical facilities, and the institutional parameters that allocate the water supply of the Tuolumne River. Due to these constraints, the SFPUC is very dependent on reservoir storage to firm-up its water supplies. Local and regional droughts are the primary issues that could cause a water shortage, and other causes may include source water quality issues, infrastructure damage, or a natural disaster. During dry periods, imported water through SFPUC is allocated using a Water Shortage Allocation Plan as described in Section 5.2.1. Climate change may affect the reliability of this resource.

Groundwater: Groundwater supply is largely constrained by hydrologic variability and the estimated 548,000 AF of operational storage capacity within the subbasins. The inflows to the groundwater subbasins are constrained by Valley Water's managed aquifer recharge program and natural recharge. Groundwater conditions throughout the county are sustainable, with managed and in-lieu recharge programs maintaining adequate storage to meet annual water supply needs and provide a buffer against drought or other shortages. Although groundwater levels declined during the 2012-2016 statewide drought, groundwater levels in the Santa Clara and Llagas subbasins quickly recovered after the drought due largely to Valley Water's proactive response and comprehensive water management activities.

Recycled Water: The recycled water supply source has been identified to be fully reliable during both normal and dry years, in that no recycled water supply shortage exists during time of drought. The SBWR Strategic Plan includes 15,000 AFY of retail recycled water deliveries. Although the SBWR retailer projections for recycled water use as documented in 2020 UWMPs exceed the amount projected in the SBWR Strategic Plan, total system capacity exists to meet projections.

Valley Water is pursuing a purified recycled water project for potable reuse. If implemented, this purified recycled water project may limit expanded non-potable recycled water deliveries in the future. Several technical and legal considerations may impede project development, including potable reuse, brine disposal, public acceptance, permitting, hydrogeologic conditions, and costs. Once a purified recycled water project is implemented, the greatest challenge will be maximizing use of the available water supply during wetter years when storage is full and/or other lower cost water supplies are competing for use (City of San José 2021). Additional recycled water constraints include infrastructure capacity and reliability, as discussed above.

SECTION 6
Water Supply and Demand Comparison

This section presents a comparison of water supply and demand to determine whether adequate supply exists to support the Project's construction and operational water demand including existing and futures water uses associated with planned growth.

6.1 Water Supply Reliability Assessment

This section presents SJMWS' expected water supply reliability in normal, single dry, and multiple dry years, including projections for 2025, 2030, 2035, 2040, and 2045. The water supply projected to be available to SJMWS during different hydrologic conditions is based upon analyses done by each wholesaler (SFPUC and Valley Water).

6.1.1 Recycled Water Supply Reliability Assessment

Recycled water supply reliability relies on adequate storage, infrastructure, and capacity of the RWF to treat adequate amounts of effluent to meet recycled water demand. While demand for recycled water increases during the summer months to meet irrigation demands, recycled water is expected to remain consistent through all water year types.

Operationally, recycled water delivered by SBWR does not have full infrastructure redundancies and as a result, temporary service disruptions may occur because of scheduled maintenance, unplanned repairs, or operational constraints at the RWF. For planned outages, SBWR conducts broad outreach and advanced planning to reduce impacts to existing customers. For unplanned outages, broad and/or targeted outreach (as necessary) is conducted as information becomes available.

Recycled water would be available in all water year types, as recycled water is generally independent from surface water and precipitation variability.

6.1.2 Potable Water Supply Reliability Assessment

Up to 4.2 AFY of potable water would be used for the Project's ongoing domestic uses. The domestic, non-cooling R&D/industrial uses associated with the Project are in line with adopted San José 2040 General Plan assumptions. Therefore, this WSA assumes that the 4.2 AFY of domestic potable water demand associated with the Project is sufficiently accounted for in SJMWS's 2020 UWMP.

While potable water will not be used as a backup supply source for R&D uses, the Project is conservatively estimated to require between 3,500-7,000 gallons of potable water to clean and shut down the cooling towers during an unplanned recycled water outage. For planned recycled water outages, recycled water would be used to ramp down the cooling towers prior to shut down and no potable water

would be required. It is expected that short-term and temporary potable water use for cooling tower shut down would be used once over a period of 2-3 hours and would only be required during periodic unplanned recycled water outages, and overall would not result in additional potable water demand beyond what is attributed to assumed industrial uses within the 2020 UWMP.

It should be noted that the supply reliability information referenced in this WSA, as documented in the 2020 UWMP, includes data from the old Tier Two allocation plan which allocates SFPUC supplies to San José during droughts. The Tier Two plan adopted in late 2025 has a new methodology, under which San José would have higher allocations of SFPUC supplies during a drought through 2045 as compared to the prior Tier Two plan. Therefore, the reliability assessment included here reflects a more conservative, high-end reduction of SFPUC supplies compared to what will be available in the future under implementation of the newly-adopted Tier Two plan.

Potable Water Supply Reliability — Normal Year

Table 6-1 presents citywide potable water supply and demand comparison for normal water years. In normal water years, SJMWS has adequate potable water supply to meet existing and projected demand, including the Project's estimated 4.2 AFY of potable water demand given that water demand associated with the Project is within SJMWS water demand projections through 2045.

TABLE 6-1
SJMWS WATER SUPPLY AND DEMAND COMPARISON—NORMAL WATER YEAR (AFY)

	2025	2030	2035	2040	2045
Supply[1]	21,080	24,156	27,343	32,815	33,552
Demand	21,080	24,156	27,343	32,815	33,552
Surplus/(Deficit)	0	0	0	0	0

Note: AF = acre feet

1. Supply does not include water from recycled water sources

Source: City of San José 2020 Urban Water Management Plan, Table 7-2.

Potable Water Supply Reliability – Single Dry Year

Imported supplies from SFPUC during a single dry year are projected to be reduced based on their supply reliability analysis. Per the 2020 UWMP, the projected SFPUC supply available to City in a single-dry year ranges from 54-64 percent through 2045. Accounting for total water supply management, this represents a total SJMWS potable supply shortage of under 10 percent in any given year, which will be managed using conservation measures as identified in SJMWS' Water Shortage Contingency Plan (City of San José 2021).

Table 6-2 compares available water supply based on projected water demand during a single dry year. Potable water demand for the Project is considered included in potable water demand projections shown in Table 6-2.

As shown in Table 6-2, water conservation measures identified in SJMWS' Water Shortage Contingency Plan would need to reduce demand between 6 and 9 percent to ensure that there is adequate water supply during a single dry year.

TABLE 6-2
SJMWS WATER SUPPLY AND DEMAND COMPARISON—SINGLE DRY YEAR (AFY)

	2025	2030	2035	2040	2045
Supply[1]	19,265	22,230	25,505	30,977	31,257
Demand	21,080	24,156	27,342	32,814	33,553
Surplus/(Deficit)[2]	(1,815)	(1,826)	(1,837)	(1,837)	(2,296)
Percent Demand Reduction	9	8	7	6	7
Demand Reduction with DMMs	19,265	22,230	25,505	30,977	31,257
Surplus/(Deficit)	0	0	0	0	0

Note: AF = acre feet; DMM = Demand Management Measures

1. Supply does not include water from recycled water sources
2. Values in the difference row use parentheses to denote a negative number

Source: City of San José 2020 Urban Water Management Plan, Table 7-6.

Potable Water Supply Reliability – Multiple Dry Years

The greatest challenge to water supply reliability is in multiple dry years, such as those that occurred in 1987 through 1992 and in 2012 through 2016. Multiple dry year periods have the potential to deplete supply reserves, including local groundwater storage.

Projected potable water supplies available to SJMWS from SFPUC during multi-dry years range from 46 to 64 percent of total water supplies each year through 2045, as documented in the 2020 UWMP. **Table 6-3**compares potable water supply and demand in the SJMWS service areas during multiple dry years. Based on cumulative available water supplies, this represents a SJMWS potable supply shortage between approximately 5 to 10 percent during a given multi-dry year scenario, which will be managed using demand management measures as identified in SJMWS' Water Shortage Contingency Plan.

TABLE 6-3
SJMWS SUPPLY AND DEMAND COMPARISON-- MULTIPLE DRY YEAR (AFY)

		2025	2030	2035	2040
First Year	Supply	19,265	22,330	25,505	30,977
	Demand	21,080	24,156	27,342	32,814
	Surplus/(Deficit)[2]	(1,815)	(1,826)	(1,837)	(1,837)
	Demand with Conservation	19,265	22,330	25,505	30,977
	Surplus/(Deficit)	0	0	0	0
Second Year	Supply	19,265	22,330	25,505	30,977
	Demand	21,695	24,793	28,437	32,962
	Surplus/(Deficit)[2]	(2,274)	(2,285)	(2,297)	(2,296)
	Demand with Conservation	19,265	22,330	25,505	30,977
	Surplus/(Deficit)	0	0	0	0
Third Year	Supply	20,036	23,145	27,235	30,813
	Demand	22,310	25,431	29,531	33,110
	Surplus/(Deficit)[2]	(2,274)	(2,286)	(2,296)	(2,297)
	Demand with Conservation	20,036	23,145	27,235	30,813
	Surplus/(Deficit)	0	0	0	0
Fourth Year	Supply	20,652	23,783	28,329	30,636
	Demand	22,926	26,068	30,626	33,258
	Surplus/(Deficit)[2]	(2,274)	(2,285)	(2,297)	(2,622)
	Demand with Conservation	20,652	23,783	28,329	30,636
	Surplus/(Deficit)	0	0	0	0
Fifth Year	Supply	21,267	24,420	29,200	30,784
	Demand	23,541	26,705	31,720	33,405
	Surplus/(Deficit)[2]	(2,290)	(2,285)	(2,520)	(2,621)
	Demand with Conservation	21,267	24,420	29,200	30,784
	Surplus/(Deficit)	0	0	0	0

Note: AF = acre feet; DMM = Demand Management Measures; WSCP = Water Shortage Contingency Plan

1. Supply does not include water from recycled water sources
2. Values in the difference row use parentheses to denote a negative number

Source: City of San José 2020 Urban Water Management Plan, Table 7-7.

SECTION 7
Conclusion

The Project is in the SJMWS's North San José/Alviso service area. SJMWS meets potable water demands in the North San José/Alviso service area primarily through water purchased from SFPUC, with supplemental groundwater supply. Recycled water is available for non-potable uses including landscape irrigation and industrial purposes.

Two operational scenarios were assessed for the Project: a Max Water-Cooled Scenario and a Mixed Water-Cooled Scenario. Both scenarios would use recycled water for R&D cooling, requiring up to approximately 1,066 AFY or 533 AFY, respectively (**Table 3-3 and 3-4)**. Operational recycled water demands are expected to increase during warmer summer months compared to non-summer months when additional cooling is required to maintain internal temperatures within the R&D buildings. Approximately 4.2 AFY of potable water would be required for domestic use under both Project scenarios. Potable water will not be used as a backup supply for R&D cooling uses.

In single dry and multiple dry years, SJMWS may experience potable water supply shortfalls; however, potable water demand can be reduced through implementation of the City's Water Shortage Contingency Plan to balance demand against available potable water supplies. Therefore, the Project would have sufficient potable and recycled water supplies to meet water demand under both the Max Water-Cooled Scenario and the Mixed Water-Cooled Scenario.

Water Supply Assessment Approval Process

Pursuant to California Water Code and CEQA Guidelines, the City Council of the City of San José adopted this WSA on _____, 2026.

SECTION 8
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APPENDIX A
Water Supply Planning

California has different processes to plan for the development or maintenance of water supplies on a regional level. Urban Water Management Plans (UWMPs), Groundwater Management Plans (GMPs), Integrated Regional Water Management Plans (IRWMPs), Municipal Service Reviews (MSRs) and water resource components of General Plans all integrate some degree of regional water supply planning.

To complement these large-scale planning processes, the Governor signed into law SB 610 and SB 221 in 2001, which emphasize the incorporation of water supply and demand analysis at the earliest possible stage in the planning process for projects undergoing more specific or detailed planning level analysis. These laws primarily apply to the planning of water supplies and sources for individual projects and are completed at the time the project is being proposed and permitted. SB 610 amended portions of the Water Code, including Section 10631, which contains the Urban Water Management Planning Act, and added Sections 10910, 10911, 10912, 10913, and 10915, which describe the required elements of a Water Supply Assessment (WSA). Under SB 610, a WSA determines whether the water supplier will be able to meet projected demands for a proposed project, in addition to existing and planned future uses, over a 20-year planning period in normal, single dry, and multiple dry water years. SB 221, which requires completion of a water supply verification for residential subdivisions of 500 dwelling units or more, amended Section 65867.5 and added Sections 66455.3 and 66473.7 to the Government Code (DWR 2003). The Project does not constitute a "subdivision" as defined by Government Code Section 66473.7(a)(1); therefore, a water supply verification is not required for the Project pursuant to Government Code 66473.7(b).

The public water system that will supply water to a proposed project is required to prepare WSAs if a proposed project meets certain criteria. There are three primary areas to be addressed in a WSA: (1) a description of all relevant water supply entitlements, water rights, and water contracts; (2) a description of the available water supplies and the infrastructure, either existing or proposed, to deliver the water; and (3) an analysis of the demand placed on those supplies by the proposed project, and relevant existing and planned future uses in the area.

SB 610 is applicable to projects subject to CEQA or considered a "project" under Water Code Section 10912(a) or (b) and builds on the information that is typically contained in a UWMP. SB 610's amendments to Water Code Section 10631 were designed to make WSAs and UWMPs consistent. A key difference between WSAs and UWMPs is that pursuant to Water Code Section 10631, UWMPs are required to be updated every five years on or before July 1, in years ending in one or six. As a result, the 20-year planning horizons for each qualifying project may cover slightly different planning periods than other WSAs or the current UWMP. Additionally, not all water providers who must prepare a WSA for a

qualifying project under SB 610 are required to prepare an UWMP as defined in the Urban Water Management Planning Act (UWMPA).

Pertinent to this WSA for the Disk Drive R&D Facilities Project (Project), and all projects to be served by SJMWS, are the provisions under SB 610 that involve documentation of supply if groundwater is to be used as a source. While groundwater would not be the primary water source for this Project, a detailed discussion of the groundwater sourced by Valley Water can be found in Section 5.2.1 of the WSA.

The SB 610 WSA process involves answering the following questions:

- Is the project subject to CEQA?
- Is it a project under SB 610?
- Is there a public water system?
- Is there a current UWMP that accounts for the project demand?
- Is groundwater a component of the supplies for the project?
- Are there sufficient supplies available to serve the project over the next 20 years?

"Is the Project Subject to CEQA"

The first step in the SB 610 process is determining whether the project is subject to CEQA. SB 610 amended Public Resources Code Section 21151.9 to read: "Whenever a city or county determines that a project, as defined in Section 10912 of the Water Code, is subject to this division [i.e., CEQA], it shall comply with part 2.10 (commencing with Section 10910) of Division 6 of the Water Code." The City, as the CEQA lead agency, has determined that the Project is subject to environmental review pursuant to the requirements of CEQA. The information contained in this WSA will be used to inform the CEQA environmental review for the Project.

"Is it a Project under SB 610?"

The second step in the SB 610 process is to determine if a project meets the definition of a "Project" under Water Code Section 10912(a). Under this section, a "Project" is defined as meeting any of the following criteria:

1. A proposed residential development of more than 500 dwelling units;
2. A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet (ft^2) of floor space;
3. A commercial building employing more than 1,000 persons or having more than 250,000 ft^2 of floor space;
4. A hotel or motel with more than 500 rooms;
5. A proposed industrial, manufacturing, or processing plant, or industrial park, planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 ft^2 of floor area;

6. A mixed-use project that includes one or more of these elements; or
7. A project creating the equivalent demand of 500 residential units.

As described in Section 3 of the WSA, the Project proposes to construct and operate R&D use totaling approximately 482,790 square feet on approximately 16.83 acres of land currently utilized by multiple warehouses and office spaces. The Project would require between 536,373 and 1,072,745 GPD, depending on the water use scenario (Max or Mixed Water-Cooled), which is well over the equivalent demand of 500 residential units within the SJMWS service area.

"Is there a Public Water System"

The third step in the SB 610 process is determining if there is a "public water system" to serve the project. Water Code Section 10912(c) states: "[A] public water system means a system for the provision of piped water to the public for human consumption that has 3,000 or more service connections."

Demand for water during Project operation would primarily be recycled water sourced from the San José-Santa Clara Regional Wastewater Facility (RWF). South Bay Water Recycling (SBWR) is a recycled water wholesaler operated by the City. Treated water from RWF is conveyed through SBWR infrastructure for delivery to existing customers.

Potable water would be required for the Project for domestic uses. Potable water would be provided by the San José Municipal Water System (SJMWS), which is comprised of two public water systems, including the system that serves the North San José/Alviso service area and the Project site.

"Is there a Current UWMP that Accounts for Project Demand"

Step four in the SB 610 process involves determining if there is a current UWMP that considers the projected water demand for the project area. The Water Code requires that all public water systems providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre-feet (AF) annually must prepare an UWMP. Pursuant to Water Code Section 10631, UWMPs are required to be updated every five years on or before July 1, in years ending in one or six. Water Code Section 10910(c)(2) states, "If the projected water demand associated with the Project was accounted for in the most recently adopted urban water management plan, the public water system may incorporate the requested information from the urban water management plan in preparing the elements of the assessment required to comply with subdivisions (d), (e), (f), and (g) [i.e., the WSA]." Germane to this Project, Water Code Section 10910(c)(3) states, "If the projected water demand associated with the proposed project was not accounted for in the most recently adopted urban water management plan, or the public water system has no urban water management plan, the water assessment for the project shall include a discussion with regard to whether the public water system's total projected water supplies available during normal, single dry, and multiple dry water years during a 20-year projection will meet the projected water demand associated with the proposed project, in addition to the public water system's existing and planned future uses, including agricultural and manufacturing uses".

The City is served by three water suppliers San José Municipal Water system (SJMWS), which is owned and operated by the City, and two privately-owned retailers: San José Water Company and Great Oaks Water Company. SJMWS is the water supplier that serves the Project site. Adopted in June 2021, the

SJMWS 2020 UWMP (City of San José, 2021) was prepared in compliance with California Water Code requirements for UWMPs, following guidance from DWR (DWR, 2021) and consistent with the UWMP requirements, the City's water use categories are single-family residential, multi-family residential, commercial, industrial, institutional/governmental, and landscape irrigation.

Regional Water Supply Planning and Support Urban Water Management Plans

Valley Water's UWMP was adopted in June 2021 in compliance with the California Water Code requirements for UWMPs. Valley Water is a wholesale water provider for the City, but not for the Project area. However, Valley Water manages the groundwater resources used by SJMWS. Therefore, Valley Water's UWMP was reviewed, and information is included in this WSA (Valley Water, 2021). Similarly, the San Francisco Public Utilities Commission's (SFPUC) UWMP was also reviewed, and information is included in this WSA (SFPUC, 2021).

Notable, while these water resources planning documents describe each agency's water resources information, 2025 was the end of the current UWMP cycle; each of these water providers are required to update their UWMP in summer 2026 to report actual water use in the last five years and project the next 20 years of water supply planning.

Recycled Water

SJMWS's 2020 UWMP discusses current and projected recycled water demand associated with industrial cooling, such as cooling towers used by the Project. The 2020 UWMP accounts for an increase in 1,161 AFY of recycled water demand for industrial cooling between 2020 and 2045 (City of San José, 2021), which do not account for the demands associated with this Project.

SBWR's Strategic and Master Planning Report (SBWR Master Plan) was prepared in collaboration with Valley Water and other recycled water retailers. The SBWR Master Plan includes specifications on recycled water infrastructure and capacity and contains an assessment on the feasibility of recycled water as a reliable, sustainable water supply for northern Santa Clara County over a 20-year planning horizon. The SBWR Master Plan evaluated pathways to achieve recycled water use goals through maximizing use of non-potable and potable recycled water to supplement up to 10 percent of Valley Water's water supply portfolio. In addition, the SBWR Master Plan identified cooling towers as long-term users with consistent demand for recycled water and the SBWR's Cooling Tower Initiative was implemented to promote recycled water use for new cooling towers. Recycled water demand associated with the Project would support such goals outlined in the SBWR Master Plan (SBWR, 2014).

Potable Water

The Project site is in the Alviso Master Plan Area (City of San José 1998). In the initial Alviso Master Plan, the Project area is located outside of the "Village Area" and therefore was determined to be suitable for industrial development. The City's General Plan identified the Alviso Master Plan area as a suitable place to develop additional industrial land to meet demand for jobs identified in the General Plan (City of San José 2011). Under the SJMWS 2020 UWMP, potable water demand for industrial uses is projected to increase from 2,562 AFY in 2025 to 5,665 AFY in 2045. Industrial uses described in the SJMWS 2020 UWMP are consistent with domestic uses associated with the Project. Therefore, consistent with this identified area of industrial growth, this WSA assumes that the growth in potable water demand in the

industrial use category associated with the Project's water demand for domestic (not cooling) uses was accounted for in SJMWS's 2020 UWMP (City of San José, 2021).

"Is Groundwater a Component of Supplies for the Project?"

The requirements of Water Code Section 10910(f), Parts 1 through 5, apply if groundwater is a source of supply for a project. Valley Water, one of SJMWS' wholesale suppliers, manages the Santa Clara (DWR Basin 2-009.02) and Llagas (DWR Basin 3-003.01) subbasins for the benefit of its groundwater customers, including SJMWS, and Santa Clara County at large (Valley Water, 2021a). Valley Water is also the Groundwater Sustainability Agency (GSA) for the Santa Clara and Llagas subbasins and prepared the 2021 GWMP (Valley Water, 2021b) as required by the Sustainable Groundwater Management Action (SGMA).

SJMWS extracts groundwater from the Santa Clara Subbasin for distribution within its service area including the Project site. As such, groundwater may be pumped and delivered to the Project to meet potable water demand and is therefore considered as a source of supply for the Project.

"Are there Sufficient Supplies to Serve the Project over the next Twenty Years?"

The final step in the SB 610 process pursuant to Water Code Section 10910(c)(4) is to illustrate the available water supplies, including the availability of these supplies in all water-year conditions (normal, single dry and multiple dry years) over a 20-year planning horizon, and an assessment of how these supplies relate to project-specific and cumulative demands over that same 20-year period. In this WSA, consistent with the SJMWS UWMP (City of San José, 2021), the planning period is projected to 2045.

As discussed in Section 3 of the WSA, the Project would require water for construction and operation of the Project. A maximum of 22.1 AF of recycled water would be needed to construct the Project over the proposed 4-year construction period. After construction and during operation, the Project would generate up to 1,066 AFY of new demand to meet R&D (cooling) purposes for the Max Water-Cooled Scenario. As proposed, this cooling tower water demand would be met with recycled water delivered through existing offsite SBWR infrastructure. Approximately 2.5 AFY of potable water would be needed to meet domestic uses associated with employees. Based on the information provided in the following sections of this WSA, in normal years, SJMWS has sufficient water supply to meet the demands of the Project, including existing demand in the near-term and in addition to cumulative future uses over the next 20 years during normal water years. However, as discussed in Sections 6 and 7, SJMWS could experience a water supply shortage in single dry and multiple dry years, in these projected supply shortfall situations, SJMWS will have to implement its WSCP to balance existing supplies against citywide demand (City San José, 2021).

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