

TO: TREATMENT PLANT ADVISORY
COMMITTEE

FROM: Kerrie Romanow

**SUBJECT: POTENTIAL FOR STRATEGIC
EXPANSION OF WATER REUSE**

DATE: September 9, 2020

INFORMATION

On April 9, 2015, the South Bay Water Recycling (SBWR) Strategic and Master Plan Report was presented and unanimously approved by TPAC. As identified in the Strategic Plan, the Santa Clara Valley Water District (Valley Water) is pursuing potable reuse of wastewater as a local source of water supply throughout Santa Clara County.

In August 2017, the City of San José and Valley Water approved a funding agreement to pay for the initial cost for the City to review the feasibility of direct potable reuse. The funding agreement was established to ensure no enterprise or use restricted funding will be used to support a water supply program.

In December 2019, Valley Water reached agreement with the Cities of Palo Alto and Mountain View to partner on developing potable reuse. The partnership includes an option for Valley Water to purchase nine million gallons per day of treated wastewater. If Valley Water exercises its option under that agreement, it will further treat that wastewater effluent for potable reuse and thus further diversify the County's water supply.

On June 16, 2020, Valley Water's Board received a staff update on concepts to further develop purified water in Santa Clara County. Valley Water's Board directed staff to explore, within 90 days, a similar option agreement with San José and Santa Clara, and the construction of facilities on San José-Santa Clara Regional Wastewater Facility (RWF) lands adjacent to existing Advanced Water Treatment Facility as specified in the RWF Plant Master Plan to provide purified water for potable reuse. The principles for such an agreement, as reflected in the agreement with Palo Alto and Mountain View, would assure that the RWF would incur no unreimbursed cost. Subsequently, Valley Water approached San José staff in late-June, resulting in several high-level discussions on terms and scope of a potential project.

On September 1, 2020, San José City Council considered an item brought forward by Vice Mayor Jones titled "Advance the Strategic Expansion of Water Reuse in San José" (Attached). Upon consideration, Council directed the San José City Manager to prioritize pursuit of

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expanded recycled water use with Valley Water to increase local, drought-resilient supplies and reduce reliance on imported water. In addition, the City Manager is to establish a negotiation team to develop and expand programs and partnerships for water reuse.

In addition, the City Manager received direction to prioritize solutions that:

- Ensure no future liabilities or adverse financial impacts on the Regional Wastewater Facility and sanitary collection systems
- Reduce further loading of nutrients and other pollutants to the Bay
- Minimize or reduce greenhouse gas emissions
- Support a vibrant and adaptive ecosystem in the Lower South San Francisco Bay
- Minimize the rate impact on our residents
- Ensure long-term viable water supplies for San José

San José staff will partner with City of Santa Clara to collaborate with Valley Water to move a partnership forward on potential strategic expansion of water reuse. Staff will return to Treatment Plant Advisory Committee (TPAC) for consideration on any eventual agreement.

/s/

KERRIE ROMANOW

Director, Environmental Services

For questions, please contact Jeff Provenzano, Deputy Director, Environmental Services Department at 408-277-3671.

Attachment: Memo from Vice Mayor Jones: Advance the Strategic Expansion of Water Reuse in San José

ATTACHMENT



COUNCIL AGENDA: 09/1/2020

ITEM: 2.14

FILE NO: 20-1017

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: September 1, 2020

SUBJECT: Advance the Strategic Expansion of Water Reuse in San José.

RECOMMENDATION

Direct the City Manager prioritize the pursuit of expanded recycled water use with Santa Clara Valley Water District (Valley Water) to increase local, drought-resilient supply and reduce reliance on imported water. Through collaborative efforts, Valley Water and the City of San José (City) should establish a negotiation team and negotiate to meet future water needs by developing and expanding programs and partnerships for water reuse, including both recycled water and potable reuse.

CEQA: Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment. (Jones)

[Rules Committee referral 08/26/2020- Item G.2]



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Vice Mayor Chappie Jones

**SUBJECT: ADVANCE THE STRATEGIC
EXPANSION OF WATER REUSE IN SAN JOSÉ**

DATE: August 19, 2020

Approved

Date: August 19, 2020

SUBJECT: Advance the Strategic Expansion of Water Reuse in San José

RECOMMENDATION

1. Direct the City Manager prioritize the pursuit of expanded recycled water use with Santa Clara Valley Water District (Valley Water) to increase local, drought-resilient supply and reduce reliance on imported water. Through collaborative efforts, Valley Water and the City of San José (City) should establish a negotiation team and negotiate to meet future water needs by developing and expanding programs and partnerships for water reuse, including both recycled water and potable reuse.
2. Place the item on the September 1, 2020 Council Agenda for action.

BACKGROUND

The City and Valley Water share a history of working together and developing recycled water supplies since 1990. Building on the past collaboration efforts with recycled water and in planning the expansion of purified water facilities efforts, the two agencies are again poised to work together.

A reliable supply of clean water is necessary for the environmental, economic, and social well-being of Santa Clara County. On behalf of the community, Valley Water, along with the Cities of San José and Santa Clara, have made significant investments to manage demands for water as well as to develop water supplies and infrastructure to meet the county's water needs. However, demands continue to grow, and future supplies are becoming more uncertain due to climate change. It is now more important than ever to continue to expand these partnerships to develop locally controlled, drought-resilient supplies such as water reuse with partner municipalities.

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ANALYSIS

In 2018, the City continued its commitment to environmental leadership by adopting the Climate Smart San José Plan, which provides the City with a strategy for moving toward a sustainable water supply and reduction in greenhouse gas emissions. As such, the plan set a target of 14% of local water demand to be met by reuse/recycling by 2030 and 23% by 2040. Although San José currently has one of the largest recycled water systems through the South Bay Water Recycling Program, there is an opportunity to advance water supply goals in the Climate Smart San José Plan that will help the City address climate change-related water supply challenges.

Valley Water is currently working with the City of Palo Alto and Mountain View for an upgraded facility that would expand its water reuse program in North County. These types of programs offer multiple benefits, including being locally controlled and drought-resilient, and are generally well-supported by the community. This program also offers various environmental benefits, such as:

- Reducing county-wide reliance on imported water;
- Reducing water diverted from the Tuolumne River;
- Reducing pollutant loaded discharge to the San Francisco Bay.

In addition, I recommend that the City Manager prioritize solutions that:

- Ensure no future liabilities or adverse financial impacts on the Regional Wastewater Facility and sanitary collection systems;
- Reduce further loading of nutrients and other pollutants to the Bay;
- Minimize or reduce greenhouse gas emissions;
- Support a vibrant and adaptive ecosystem in the Lower South San Francisco Bay;
- Minimize the rate impact on our residents;
- Ensure long-term viable water supplies for San Jose.

Concurrently, Valley Water is evaluating the renewal of its Safe Clean Water Measure, which may provide additional funding opportunities for the City and Valley Water to collaborate.

CONCLUSION

To assist in meeting our respective goals, I recommend that Valley Water and the City expand on its positive working history and move a partnership forward that supports increased usage of recycled water, similar to Valley Water's collaborative efforts with the City of Palo Alto and Mountain View, supports potable reuse efforts, and improves the environmental conditions of the San Francisco Bay.