



DATE: October 3, 2017

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Wastewater Purification Agreement
with the Santa Clara Valley Water
District**

RECOMMENDATION

Authorize the City Manager or his designee to enter into an agreement with the Santa Clara Valley Water District to study water purification opportunities.

BACKGROUND

The City obtains approximately 10 percent of its potable water supply from the Santa Clara Valley Water District (SCVWD) and distributes SCVWD potable water to customers in the southern part of the City (south of Cuesta Drive). The SCVWD also produces purified water at the Silicon Valley Advanced Water Purification Center in San Jose (SVAWPC), which has a capacity of 8.0 million gallons per day (MGD). Through partnerships with several cities and water agencies, the SCVWD provides purified and recycled water to San Jose, Santa Clara, and Milpitas, and recycled water to Gilroy and adjacent unincorporated areas.

To preserve its potable water supply and prepare for future droughts, the SCVWD has established a goal of annual recycled water production that meets at least 10 percent of the County's water demands by 2025. The Expedited Purified Water Program (EPWP) could provide up to 45,000 acre feet per year of purified water for indirect potable reuse to supplement groundwater recharge from other sources such as imported and stored local water supplies. The EPWP includes potential water supply development projects throughout the County, including expansion of the SVAWPC and projects at the Palo Alto Regional Water Quality Control Plant (RWQCP) and Sunnyvale Water Pollution Control Plant.

The RWQCP provides wastewater treatment services to the cities of Palo Alto, Mountain View, and Los Altos; the Town of Los Altos Hills; Stanford University; and the East Palo Alto Sanitary District. The treated wastewater is used as recycled water or discharged to the Bay. Per the Basic Agreement (also known as the Partners

Agreement) which details the rights and responsibilities of RWQCP customers, the City owns the rights to its wastewater flow entering the plant (approximately 6.3 MGD) and leaving the plant as recycled water or treated effluent. The RWQCP discharges an average of 17.0 MGD of treated effluent to the San Francisco Bay.

As part of the EPWP, the SCVWD is evaluating water reuse projects with the cities of Sunnyvale, Santa Clara, and San Jose and seeks to also evaluate possibilities at the RWQCP. Possible projects include an advanced water purification facility (AWPF) within the vicinity of the RWQCP to treat the effluent for reuse as a drought-proof supply or conveyance to the City of Sunnyvale's Water Pollution Control Plant or the SVAWPC for purification and distribution. The water could be used locally or transported to other areas of the County.

ANALYSIS

As a partner in the RWQCP and generator of approximately 36 percent of the RWQCP's wastewater flow, the City's participation in analyzing the feasibility of large-scale reuse projects is critical. The recommended agreement will allow the SCVWD to begin analyzing potential options for treating, distributing, and reusing treated water, and begin developing preliminary project costs. The agreement includes the following terms:

- The SCVWD will review potential projects based on the assumptions below:
 - Project evaluations will be based on the availability of up to 10.0 MGD of wastewater.
 - The SCVWD and the City will address issues regarding commitments of source water, reverse osmosis (RO) concentrate management, land rights, and related issues in separate agreements.
 - The City is not currently discussing the sale of its share of the RWQCP effluent with other potential wholesalers and does not plan to do so during the term of the agreement (the City is not legally precluded from engaging in these discussions).
- The City and the SCVWD will each designate a project manager.
- The District will identify sites suitable for using purified water for groundwater infiltration, injection, and/or future facility connections needed for implementation of potable reuse.

- Potential projects identified through the agreement will be pursued through separate agreements between the City, SCVWD, and other involved parties.
- The City and the SCVWD are responsible for their own expenses.
- The City and the SCVWD will work together to identify potential State and Federal grant funding.
- The agreement expires on December 31, 2020, unless the City and SCVWD agree to terminate the agreement earlier.

Staff is continuing to pursue other efforts related to recycled water use, including reviewing options for small- and large-scale expansion of the distribution system and conducting a study with the SCVWD and the City of Palo Alto to assess the feasibility of implementing advanced treatment to improve recycled water quality. The City's participation in the recommended agreement will not impact these projects. Additionally, because the City owns its share of the wastewater effluent, the City would maintain the right to allocate the treated wastewater as the supply for existing and future recycled water customers and to potential advanced treatment projects identified in the agreement.

A similar agreement is being developed between the SCVWD and the City of Palo Alto.

NEXT STEPS

SCVWD staff will seek approval for the agreement from the SCVWD Board of Directors. Staff anticipates the agreement will be approved by the end of October.

FISCAL IMPACT

Staff does not anticipate incurring costs other than staff time for participating in data gathering and project analyses.

ALTERNATIVES

Do not approve execution of the agreement and focus solely on the City's recycled water improvement and expansion efforts.

PUBLIC NOTICING – Agenda posting.

Prepared by:

Gregg A. Hosfeldt
Assistant Public Works Director

Approved by:

Michael A. Fuller
Public Works Director

Audrey Seymour Ramberg
Assistant City Manager

GAH/7/CAM
761-10-03-17CR-E-1