



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 12-17-08

Approved

Deanna Anton

Date

12/18/08

COUNCIL DISTRICT: City-Wide

**SUBJECT: PROGRESS REPORT ON RECYCLED WATER LIAISON COMMITTEE'S
DISCUSSIONS TOWARD A LONG TERM AGREEMENT TO DEVELOP
RECYCLED WATER FACILITIES**

RECOMMENDATION

Accept this status report on the nature and content of the discussions of the Recycled Water Liaison Committee concerning a long term agreement on joint development of recycled water facilities and direct staff to continue to support discussions and provide periodic reports on future progress and policy recommendations.

OUTCOME

To provide the Council with an update on discussions with Santa Clara Valley Water District and Council to provide staff with policy direction as discussions relating to the future of South Bay Water Recycling continue.

BACKGROUND

Since August 2008, the Recycled Water Liaison Committee (Committee) has met to discuss development of a long term agreement on recycled water and joint development of future recycled water facilities extending the South Bay Water Recycling program and use of recycled water. The committee is comprised of the following members:

Kansen Chu, Council Member, City of San Jose
Pierluigi Oliverio, Council Member, City of San Jose
Patricia Mahan, Mayor, City of Santa Clara and Chair of Treatment Plant Advisory Committee
Tony Estremera, Board Member, Santa Clara Valley Water District
Rosemary Kamei, Board Member, Santa Clara Valley Water District
Patrick Kwok, Board Member, Santa Clara Valley Water District

The Committee membership represents the interests the City of San Jose (as lead agency for the San Jose/Santa Clara Water Pollution Control Plant (Plant)), the City of Santa Clara (as joint owner of the Plant and Treatment Plant Advisory Committee representative), and the Santa Clara Valley Water District.

ANALYSIS

The Committee has met four times since August 2008. The meetings to-date have focused on understanding the key issues relating to the history of recycled water use in Santa Clara County and the development of South Bay Water Recycling. Other key issues that were discussed:

- future water needs in the county;
- potential to further expand the use of recycled water as a water supply resource;
- institutional structure and financing mechanisms of the District and the Plant;
- physical location of Plant and District infrastructure and possible interconnection points; and
- governance structures that could support interests of each party in expanding the recycled water system.

As the discussion has progressed, the Recycled Water Liaison Committee has discussed a number of potential terms and conditions that might be included in any long term agreement. The key terms include:

- roles and responsibilities;
- quantity and quality of recycled water;
- rates and charges;
- operation and maintenance; and
- alternative institutional and governance structures.

Most recently, the Committee focused on two alternative governance structures: a cooperative agreement and a joint powers agreement. At the November meeting, the Committee directed staff to present specific examples based on work at other agencies (particularly the long-term agreement between Orange County Water District and Orange County Sanitation District). This discussion, and recommended terms and conditions, will be the focus of the Committee meeting scheduled for February 19, 2009. Further discussions by the Committee are expected to result in direction to staff to incorporate the preferred terms and conditions into a draft agreement for a long-term collaboration between the District and the City to develop recycled water resources for the community.

EVALUATION AND FOLLOW-UP

Future meetings of the Recycled Water Liaison Committee are scheduled for February 19, 2009 and March 19, 2009. In addition, a joint meeting of the full City Council and Santa Clara Valley Water District Board of Directors to review status and recommendations is scheduled for April 23, 2009.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This action does not meet the criteria above at this time. The Committee agenda packets are posted at the City Clerk and Brown Act posting sites.

COORDINATION

This memo has been coordinated with the City Attorney and is scheduled to be considered at the January 8, 2009 meeting of the Treatment Plant Advisory Committee.

COST SUMMARY/IMPLICATIONS

Not applicable. Any future recommendations that have budget implications will be brought to the Treatment Plant Advisory Committee and the City Council as appropriate.

CEQA

Not a project.


JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Mansour Nasser, Deputy Director at (408) 277-2558.