

# Recycled Water Liaison Committee

## Key Agreement Terms

April 9, 2009

### Recommendations of Key Terms for the Recycled Water Framework Agreement

#### 1. Commitment to Coordination and Collaborative Planning

The City and the District will coordinate and share information, and work collaboratively on the planning, investment, and development of recycled water. This commitment to long-term collaboration will support the ability of the Parties to successfully advance their mutual interests as well as support and enhance each Party's ability to carry out its individual mission.

The Parties will agree that any export of recycled water outside of Santa Clara County will occur only after the joint agreement of the City Council and District Board.

The Parties will further agree to work cooperatively on a range of special studies, technical investigations, and master planning. The Parties may cost share on such studies and efforts as jointly agreed upon. The studies considered for the near term are: public outreach, the feasibility study for conveyance and utilization of advanced treated water for potential future indirect potable reuse, and stream flow augmentation.

Finally, the Parties will agree that the processes necessary to support such collaboration and joint decision making will be developed and supported by the staff of the Parties, as appropriate.

#### 2. Policy and Technical Advisory Committees

A Policy Advisory Committee (PAC) will be created, composed of a minimum of two District Board members and an equal number of Treatment Plant Advisory Committee (TPAC) voting



agencies. The PAC will meet no less than annually, or as agreed upon by the PAC. A key purpose of the PAC will be to discuss policy issues relevant to recycled water and to make decisions or recommendations consistent with the authority granted to the PAC by the City Council and District Board. The PAC will be subject to the Brown Act.

A staff level Technical Advisory Committee (TAC) will be created to coordinate the technical work required to develop a long-term agreement. The TAC will meet at least monthly, or as

needed, to accomplish its technical work and will be composed of an equal number of staff of the City and District, or as mutually agreed upon. A key purpose of the TAC is coordination of relevant activities, collaborative planning, sharing of information, and facilitating joint decision making in those applicable areas of interest to the Parties.

### 3. Benefits to the District

Four priorities of use of treated wastewater produced by the San José/Santa Clara Water Pollution Control Plant will be recognized. First priority is that flow, if any, required to meet minimum environmental or NPDES permit requirements for discharge to the Bay. Second priority is the non-potable demand of the existing South Bay Recycled Water system, including future expansion up to a maximum of 40,000 acre-feet per year. The third priority is the District's right to all that remaining secondary treated water (a minimum of 50,000 acre-feet per year) that exists beyond the first two priorities, subject to its availability. The fourth and final priority is the reservation for the District for the remaining secondary treated water at any time that is not being fully used by the first three priorities, subject to its availability. A fee schedule to implement the actual delivery of this fourth priority will be developed in the detailed agreement and will take into account the point of delivery and time of delivery.

### 4. Benefits to the City

In exchange for the City reserving the right to a minimum of 50,000 acre-feet per year of secondary water, subject to its availability, for the District from its San José/Santa Clara Water Pollution Control Plant, the District will pay the City the amount of \$1 million annually by June 30 beginning in 2010 and through the term of this agreement. This annual payment will be escalated based on the San Francisco- Oakland CPI, not to exceed 2% (ceiling) annually, and not to be decreased by less than 0% (floor). An additional benefit to the City from the future advanced treatment facility will be enhanced recycled water quality for non-potable uses.

## 5. Roles and Responsibilities of the Parties

The City is the administering agency and is responsible for the San José/Santa Clara Water Pollution Control Plant and South Bay Water Recycling, including compliance with the NPDES permit issued by the Regional Water Quality Control Board. The City will have the lead role and responsibility for planning, expansion, operation, and maintenance of the existing non-potable recycled water transmission and distribution system commonly known as South Bay Water Recycling. The City will coordinate and collaborate with the District on those decisions related to the San José/Santa Clara Water Pollution Control Plant and South Bay Water Recycling that may affect the District's interests and rights under this agreement, especially the District's rights to secondary treated water.

The District is the regional water supply and groundwater management agency with county-wide jurisdiction of water supply. The District will have the lead role and responsibility for the planning, expansion, operation, and maintenance of the advanced treatment of recycled water, potential future indirect potable reuse of recycled water, and all use of advanced treated recycled water for potential future recharge and replenishment of the groundwater basin. The District will coordinate and collaborate with the City on those decisions related to the San

José/Santa Clara Water Pollution Control Plant and South Bay Water Recycling that may affect the City's interests and rights under this agreement, especially related to the District's planning, design, construction, and operation of the advanced water treatment plant.

The Parties agree to work together cooperatively in all areas of mutual or interdependent interest including but not limited to such topics as public outreach and participation, studies, pursuit of grants and funding, coordination of capital investment decision making, and



operational planning and coordination for the development or use of recycled water, including Third Party agreements.

## 6. Purpose of the Baseline Advanced Treated Recycled Water Facility (abbreviated as Advanced Water Treatment (AWT) Plant) and Collaborative Development of the AWT

The City and District will agree that a site adjacent to the City's Transmission Pumping Station is the preferred location, for the purpose of environmental review, of a baseline Advanced Treated Recycled Water Facility (AWT) and the City will reserve a site at this location for the AWT. It is estimated that the total amount of land necessary for the baseline AWT is 8 acres and for the expansion to 32 million gallons per day facility will be 20 acres. The Parties recognize that a site at this location would provide demonstration value for the District, and data for securing public acceptance and demonstration of capability of a local AWT. This AWT will also provide microfiltration benefit and enhance the recycled water quality for additional non-potable uses.

District and City agree that there is a need for a certain minimum, or baseline, capacity for an AWT for recycled water and that this baseline need has value and benefit to both the non-potable SBWR system and to the future advanced treated system to be developed by the District. The baseline AWT which will be used by the Parties for environmental review can be 10 million gallons per day (MGD) microfiltration capacity, 10 MGD ultraviolet disinfection capacity and 3-8 MGD reverse osmosis capacity.

In accordance with each Party's mission, the District and City agree that the District, as regional water supply agency, will own, operate, and take the lead on the AWT and on the future use and management of advanced treated recycled water. In addition to reserving land for an AWT, the City will also agree to maintain in the Plant's Capital Budget the cash amount of \$11 million as a contribution to construction of the baseline AWT.

The Parties agree that the brine, or AWT concentrate from the centralized AWT located by the City's Transmission Pumping Station, is best managed by blending to its tertiary effluent to the Bay through the existing outfall, but will require an environmental review and approval of the regulatory agencies. The Parties agree to jointly pursue such regulatory approvals and to consideration of blending and use of the Plant's discharge outfall as the preferred project for environmental clearance. The Parties also agree that a fee schedule would need to be

developed by both Parties for brine discharge from any future satellite AWT, if any, to the City's sewer.

The Parties will agree that certain capacity in the future baseline AWT will be available to meet the needs of the City in maintaining the quality of the non-potable SBWR recycled water system in recognition of the Plant's cost sharing in the capital investment and operations and maintenance cost of the AWT.

The Parties further agree on the importance and role of the baseline AWT in demonstrating the state of the art technology and its safety, and for public outreach.