



# Santa Clara Valley Water District Joint Recycled Water Policy Advisory Committee

Zoom Teleconference

## SPECIAL MEETING AGENDA

**Monday, May 3, 2021  
11:00 AM**

**District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.**

SCVWD BOARD COMMITTEE MEMBERS:

Tony Estremera - District 6  
Richard Santos, District 3  
Gary Kremen - District 7

During the COVID-19 restrictions, all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body, or through a link in the Zoom Chat Section during the respective meeting. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

COMMITTEE LIAISONS:  
Aaron Baker  
Donald Roacha

COMMITTEE CLERK:  
Natalie F. Dominguez, CMC

**Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.**

**Santa Clara Valley Water District**  
**Joint Recycled Water Policy Advisory Committee with City of SJ, SC/TPAC**

**SPECIAL MEETING**  
**AGENDA**

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Monday, May 3, 2021

11:00 AM

Zoom Teleconference

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**IMPORTANT NOTICES**

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Committee, staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Committee during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in the order requests are received and granted speaking access to address the Committee.

Santa Clara Valley Water District (Valley Water) in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Committee meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

**Join Zoom Meeting:**

<https://valleywater.zoom.us/j/86393363677>

**Meeting ID: 863 9336 3677**

**Phone in: 1 (669) 900-9128 US (San Jose)**

**1. CALL TO ORDER:**

1.1. Roll Call.

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.**

*Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.*

**3. APPROVAL OF MINUTES:**

3.1. Approval of May 1, 2019 Joint Recycled Water Policy Advisory Committee Meeting Minutes. [21-0403](#)

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 050119 JRWPAC Minutes](#)

Est. Staff Time: 5 Minutes

**4. ACTION ITEMS:**

- 4.1. Elect 2021 Joint Recycled Water Policy Advisory Committee (SCVWD/San Jose/ Santa Clara - TPAC) Chairperson. [21-0404](#)  
Recommendation: Elect 2021 Chairperson for the Joint Recycled Water Policy Advisory Committee.  
Manager: Michele King, 408-630-2711  
Est. Staff Time: 5 Minutes
- 4.2. Update on Countywide Water Reuse Master Plan. [21-0415](#)  
Recommendation: Receive information and discuss next steps.  
Manager: Kirsten Struve, 408-630-3138  
Attachments: [Attachment 1: PowerPoint Presentation](#)  
[Attachment 2: Draft Final CoRe Plan](#)  
[Attachment 3: Draft Final CoRe Plan Appendices](#)  
Est. Staff Time: 20 Minutes
- 4.3. Review Proposed Fiscal Year 2021-2022 Budgets for Silicon Valley Advanced Water Purification Center and South Bay Water Recycling. [21-0416](#)  
Recommendation: That the Joint Recycled Water Policy Advisory Committee make recommendations to the Santa Clara Valley Water District Board of Directors and the San José City Council on their respective proposed budgets for the ensuing fiscal year for the maintenance, expansion, replacement, improvement, and operation of the South Bay Water Recycling system and the Silicon Valley Advanced Water Purification Center.  
Manager: Bhavani Yerrapotu, 408-630-2735  
Attachments: [Attachment 1: PowerPoint](#)  
Est. Staff Time: 20 Minutes

**5. INFORMATION ITEMS:**

**6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.**

*This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.*

**7. ADJOURN:**

- 7.1 Adjourn to Regular Meeting at 10:00 a.m., on April 17, 2022, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.



# Santa Clara Valley Water District

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**File No.:** 21-0403

**Agenda Date:** 5/3/2021  
**Item No.:** 3.1.

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## COMMITTEE AGENDA MEMORANDUM

### Joint RWPAC with Cities of San Jose/Santa Clara/ TPAC

**SUBJECT:**

Approval of May 1, 2019 Joint Recycled Water Policy Advisory Committee Meeting Minutes.

**RECOMMENDATION:**

Approve the minutes.

**SUMMARY:**

A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's archives and serve as the historical record of the Committee's meeting.

**ATTACHMENTS:**

Attachment 1: 050119 JRWPAC Minutes

**UNCLASSIFIED MANAGER:**

Michele King, 408-630-2711

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**JOINT RECYCLED WATER POLICY ADVISORY COMMITTEE  
CITY OF SAN JOSÉ/SCVWD/CITY OF SANTA CLARA-TPAC**

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**DRAFT MINUTES**

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**WEDNESDAY, MAY 1, 2019  
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

A regularly scheduled meeting of the Joint Recycled Water Policy Advisory Committee City of San José/SCVWD/City of Santa Clara-TPAC was held on May 1, 2019, in the Headquarters Building Boardroom at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

**1. CALL TO ORDER/ROLL CALL**

Chair Director Tony Estremera called the meeting to order at 10:09 a.m.

Valley Water Board members in attendance were: Director Tony Estremera, District 6, Director Barbara Keegan, District 2, and Director Gary Kremen, District 7.

City of San José members in attendance: Council Member Sylvia Arenas and Council Member Lan Diep and Ms. Kerrie Romanow, Alternate.

City of Santa Clara members in attendance: Council Member Debi Davis and Council Member Kathy Watanabe, Alternate.

SCVWD Staff members in attendance were: Hossein Ashktorab, Glenna Brambill, Jerry De La Piedra, Anthony Fulcher, Garth Hall, Nina Hawk, Lei Hong, Elise Latedjou-Durand, Katherine Oven, Metra Richert, Miguel Silva, Medi Sinaki, Darin Taylor, David Tucker, Cris Tulloch and Bhavani Yerrapotu.

City of San José Staff members in attendance were: Pedro Hernandez, Henry Louie, Jeffrey Provenzano, Mark Savage and Rosa Tsongtaatarii,

City of Santa Clara Staff member in attendance was: Gary Welling.

Guest in attendance was: Bill Tuttle (San Jose Water Company).

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON AGENDA**

There was no one present who wished to speak.

**3. APPROVAL OF MINUTES**

**3.1 APPROVAL OF MINUTES**

It was moved by Council Member Debi Davis, seconded by Director Barbara Keegan, and unanimously carried, to approve the minutes of the December 3, 2018, Special Joint Recycled Water Policy Advisory Committee City of San José/SCVWD/City of Santa Clara-TPAC meeting, as presented.

**4. ACTION ITEMS**

**4.1 SANTA CLARA VALLEY WATER'S SUPPLY AND PROJECT SELECTION PROCESSES**

Ms. Metra Richert reviewed the materials as outlined in the agenda item

Director Barbra Keegan, Council Member Debi Davis, Director Gary Kremen, Council Member Sylvia Arenas, Director Tony Estremera and Council Member Lan Diep discussed the following: Model Ordinance to be sent out to the Committee under separate cover, 80% level of conservation, recycled projects how they translate for rate payers, production needed for dry years, potable reuse, include the rate effect on future presentation charts, expansion of recycled water, moving water-demand, diversity of water sources impacting costs, discussing different uses of water, changes in the WaterFix and Governor Newsom's new direction and name change, purple piping, no "regrets" package information, South County Recharge 2030 projection, climate changes, developing partnerships with other agencies and general conservation outreach efforts.

Mr. Jerry De La Piedra, Mr. Garth Hall, Ms. Nina Hawk, Mr. Jeffrey Provenzano and Mr. Darin Taylor were available to answer questions,

The Committee took no action.

**4.2 DISTRICT WATER RATES OVERVIEW**

Mr. Darin Taylor reviewed the materials as outlined in the agenda item

Council Member Debi Davis, Director Barbra Keegan, Director Tony Estremera and Council Member Sylvia Arenas spoke on the following: potential special tax measure, show rates if Valley Water did not have other funding sources and include a breakdown of rates so it is clearly understood.

The Committee took no action.

**4.3 UPDATE ON COUNTYWIDE WATER REUSE MASTER PLAN**

Mr. Miguel Silva reviewed the materials as outlined in the agenda item

Council Member Sylvia Arenas left at 11:32 a.m. and did not return. Ms. Kerrie Romanow, Alternate became Representative.

Council Member Debi Davis and Director Barbra Keegan had questions on the following: varying project costs, risk analyses and whether stakeholders are involved in the process



or give input, conservation concerns and changing of timelines, water supply challenges and relaying a message that people can understand the costs, impacts, environmental issues and keeping rates as low as possible.

Ms. Metra Richert and Mr. Gath Hall were available to answer questions,

The Committee took no action.

**4.4 PROPOSED OPERATION AND MAINTENANCE BUDGETS FY19-20 -  
A. SILICON VALLEY ADVANCED WATER PURIFICATION CENTER BUDGET  
B. SOUTH BAY WATER RECYCLING BUDGET**

Ms. Bhavani Yerrapotu and San Jose City's Mr. Jeffrey Provenzano reviewed the materials as outlined in the agenda item

The Committee took the following action:

It was moved by Director Barbara Keegan, seconded by Council Member Debi Davis, and unanimously carried, that the Joint Recycled Water Policy Advisory Committee approve staff's budget recommendation:

The San Jose City Council (SJCC) consider inputs provided by the Committee regarding the SBWR FY 19-20 Draft Budget; and The Valley Water Board adopts the SVAMPC Proposed FY 19-20 budget.

**5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS AND RECOMMENDATIONS.**

Ms. Glenna Brambill reported there was one action item for the Board's consideration.

**Committee action/Agenda Item 4.4:**

The Committee unanimously approved the staff's budget recommendation:

The San Jose City Council (SJCC) consider inputs provided by the Committee regarding the SBWR FY 19-20 Draft Budget; and The Valley Water Board adopts the SVAMPC Proposed FY 19-20 budget.

**Staff action:**

Send the Committee a copy of the Model Ordinance and rates information.

**6. ADJOURN**

Chair Estremera adjourned the meeting at 11:57 a.m., to the next scheduled meeting on Thursday, April 16, 2020, at 10:00 a.m., in the City Manager's Office at San José City Hall, 200 East Santa Clara Street, San José, California.

Glenna Brambill  
Board Committee Liaison  
Office of the Clerk of the Board

Approved:

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# Santa Clara Valley Water District

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**File No.:** 21-0404

**Agenda Date:** 5/3/2021  
**Item No.:** 4.1.

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## **COMMITTEE AGENDA MEMORANDUM**

### **Capital Improvement Program Committee**

#### **SUBJECT:**

Elect 2021 Joint Recycled Water Policy Advisory Committee (SCVWD/San Jose/ Santa Clara - TPAC) Chairperson.

#### **RECOMMENDATION:**

Elect 2021 Chairperson for the Joint Recycled Water Policy Advisory Committee.

#### **SUMMARY:**

Consistent with Article 3.C of the Recycled Water Facilities and Programs Integration Agreement between the City of San José and the Santa Clara Valley Water District, adopted on March 2, 2010, members of the Recycled Water Policy Advisory Committee (Committee) shall elect one member to serve as Chairperson of the Committee at the first meeting in each fiscal year. The Chairperson shall serve until the election of a successor in the next fiscal year, or no longer a member of the Committee, whichever is earlier. Mid-fiscal year vacancies in the office of the Chair occurring in between regular elections will be filled by the Committee electing a new Chairperson to serve until the next regular election. The Chairperson shall preside at all meetings of the Committee. In the event of the Chairperson's absence from any meeting, the members of the Committee may elect a Chair Pro-Tem to serve as Chair during the latter's absence.

#### **ATTACHMENTS:**

None.

#### **UNCLASSIFIED MANAGER:**

Michele King, 408-630-2711

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# Santa Clara Valley Water District

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**File No.:** 21-0415

**Agenda Date:** 5/3/2021  
**Item No.:** 4.2.

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## COMMITTEE AGENDA MEMORANDUM

### Joint RWPAC with Cities of San Jose/Santa Clara/ TPAC

**SUBJECT:**

Update on Countywide Water Reuse Master Plan.

**RECOMMENDATION:**

Receive information and discuss next steps.

**SUMMARY:**

Valley Water is in the process of finalizing a comprehensive Countywide Water Reuse Master Plan (CoRe Plan) to facilitate the integration and expansion of recycled water as well as the development of purified water systems in Santa Clara County. It will guide the strategic investment of public funds on recycled and purified water projects over the next 20 years as a local, reliable, environmentally adaptive, and drought-proof water supply.

The CoRe Plan is an integral component of Valley Water's Water Supply Master Plan. Over the past three years, Valley Water, cities of San Jose and Santa Clara have met dozens of times to identify and evaluate future reuse opportunities in collaboration with other recycled water producers, wholesalers, retailers, users, and other interested stakeholders. Valley Water has set a goal of meeting at least 10% of the County's total water demand using recycled and purified water. Valley Water's Water Supply Master Plan 2040 (WS Master Plan) recommends developing at least 24,000 AFY of additional recycled water (above and beyond the current target of 33,000 AFY of non-potable reuse) by 2040. The CoRe Plan evaluates potable reuse expansion throughout Santa Clara County, including identifying options for achieving up to 24,000 AFY for potable water reuse. The CoRe Plan will be completed in May 2021.

**RESULTS:**

Since January 2018, the CoRe Plan has produced over 15 critical engineering reports that form the reuse planning foundation and represent key stakeholder feedback into the Draft Final Countywide Water Reuse Master Plan (Attachment 2).

The Draft Final CoRe Plan represents the assemblage of these critical engineering and planning documents into a comprehensive water reuse planning compendium that describes available source water, relevant institutional arrangements, existing reuse systems, expanded reuse potential, feasible project portfolios, and initial cost implications. Development of the CoRe Plan included review by an Independent Advisory Panel and working with regulatory agencies along with project partners and other interested stakeholders. Key highlights of the Draft Final CoRe Plan for the North County area include:

- Analyzed seven feasible potable reuse portfolios for North County.

- Reviewed partnerships and governance to facilitate establishment of institutional arrangements and agreements with our partnering agencies.
- Developed capital investment and O&M costs to facilitate financial and rate impact assessments between portfolios and project components reflecting source water availability, waste management strategies, regulatory compliance and monitoring, and fiscal assumptions and uncertainty.
- Expanded examination of potable reuse implementation issues, including policy initiatives, public outreach and engagement, program funding, regulatory compliance strategy, and next steps.

Valley Water Staff has been hosting a series of one-on-one meetings with our project partners like City of San José and City of Santa Clara, state regulators and other interested parties to examine the Draft Final CoRe Plan, review plan highlights and recommendations, request technical feedback, address stakeholder comments and questions, and build upon participant consensus.

Valley Water is pleased to report completion of a South Bay Water Recycling (SBWR) hydraulic model as updated by HydroScience Engineers in coordination with City of San José, SBWR, San José Muni Water, and City of Santa Clara. Valley Water has transmitted this model to SBWR staff on March 17, 2021. Benefits of this model include providing SBWR staff updated powerful tools to better optimize, plan and operate their SBWR distribution network more efficiently using the latest technology and hydraulic assumptions unique to their system. The accompanying technical memoranda (TMs) for this modeling effort were included in the Draft CoRe Plan as Appendices C-1 (Modeling Plan and Results, October 13, 2020) and C-2 (SBWR System Master Plan Updates, October 15, 2020) of Attachment 3 below.

The Final CoRe Plan will also include an executive summary, expanded discussion of fiscal and water rate impacts, evaluation of on-site non-potable reuse opportunities, and illustrations for phased implementation.

**NEXT STEPS:**

Following direction by the Valley Water Recycled Water Committee on August 6, 2020, Valley Water staff is developing a scaled-down project (11,200 to 14,000 acre-feet per year) based on the most recent water demand projections. Furthermore, staff is revising the Draft Final CoRe Plan following input from Valley Water Board of Directors, Project Partner Group, Recycled Water Committee, State Regulators, and other interested stakeholders. Staff anticipate presenting the Final CoRe Plan to Valley Water Recycled Water Committee and to the Board of Directors in May and June 2021, respectively.

**ATTACHMENTS:**

- Attachment 1: PowerPoint Presentation
- Attachment 2: Draft Final CoRe Plan
- Attachment 3: Draft Final CoRe Plan Appendices

**UNCLASSIFIED MANAGER:**

Kirsten Struve, 408-630-3138

Regional  
**Collaboration**



Visionary  
**Results**

Valley Water

# Countywide Water Reuse Master Plan (CoRe Plan) Joint Recycled Water Policy Advisory

April 23, 2021

**Brown  
AND  
Caldwell**

with

HydroScience Engineers

Trussell Technologies Inc



# Stakeholder Engagement - > 45 External Meetings

2

- Partner Agencies
- Environmental Groups
- Regulators
- Rate Payer Advocacy\*
- Water Retailers
- Business Groups
- Planning/Policy Groups



valleywater.org





# Future Reuse Opportunities & Alternatives

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valleywater.org



Indirect  
Potable Reuse



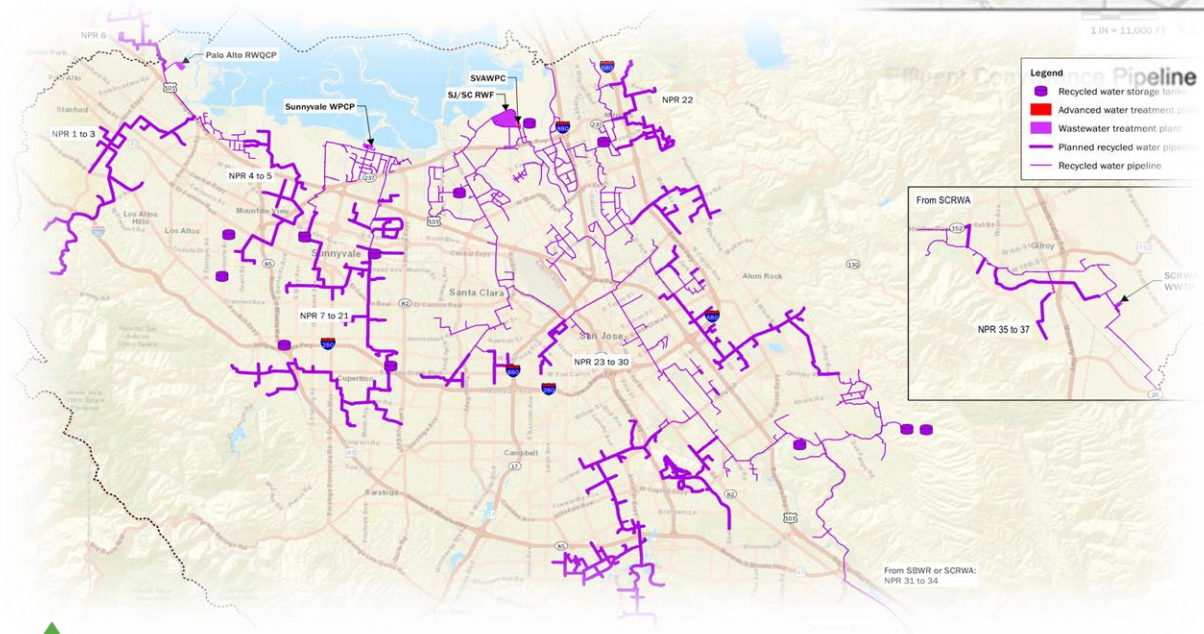
Raw Water  
Augmentation (RWA)



Treated Water  
Augmentation (TWA)

# Future Reuse Opportunities & Alternatives

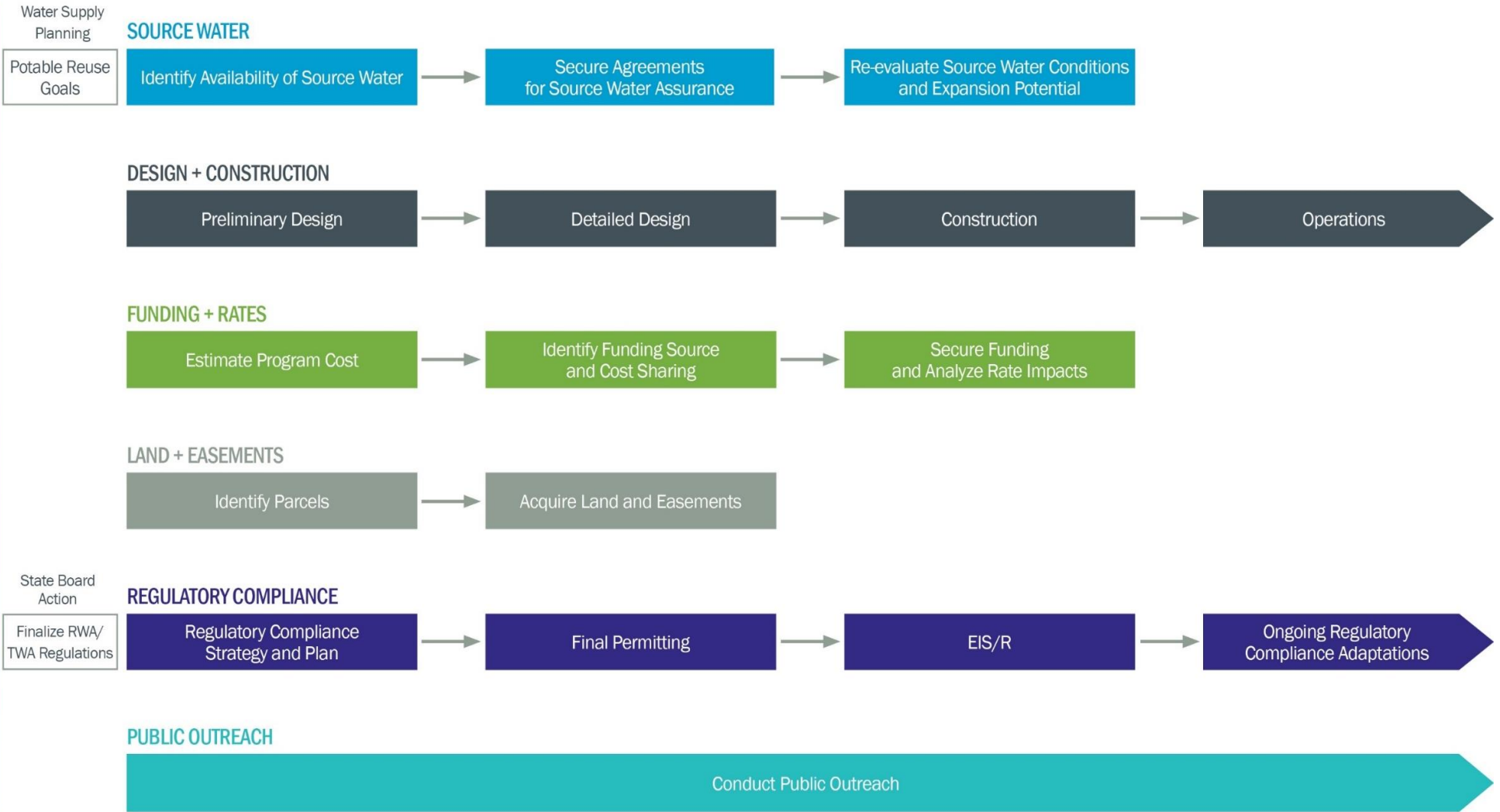
- ✓ Phased Implementation
- ✓ Optimized Conveyance
- ✓ RWA Pipeline Extension
- ✓ Operational Flexibility
- ✓ TWA Opportunities



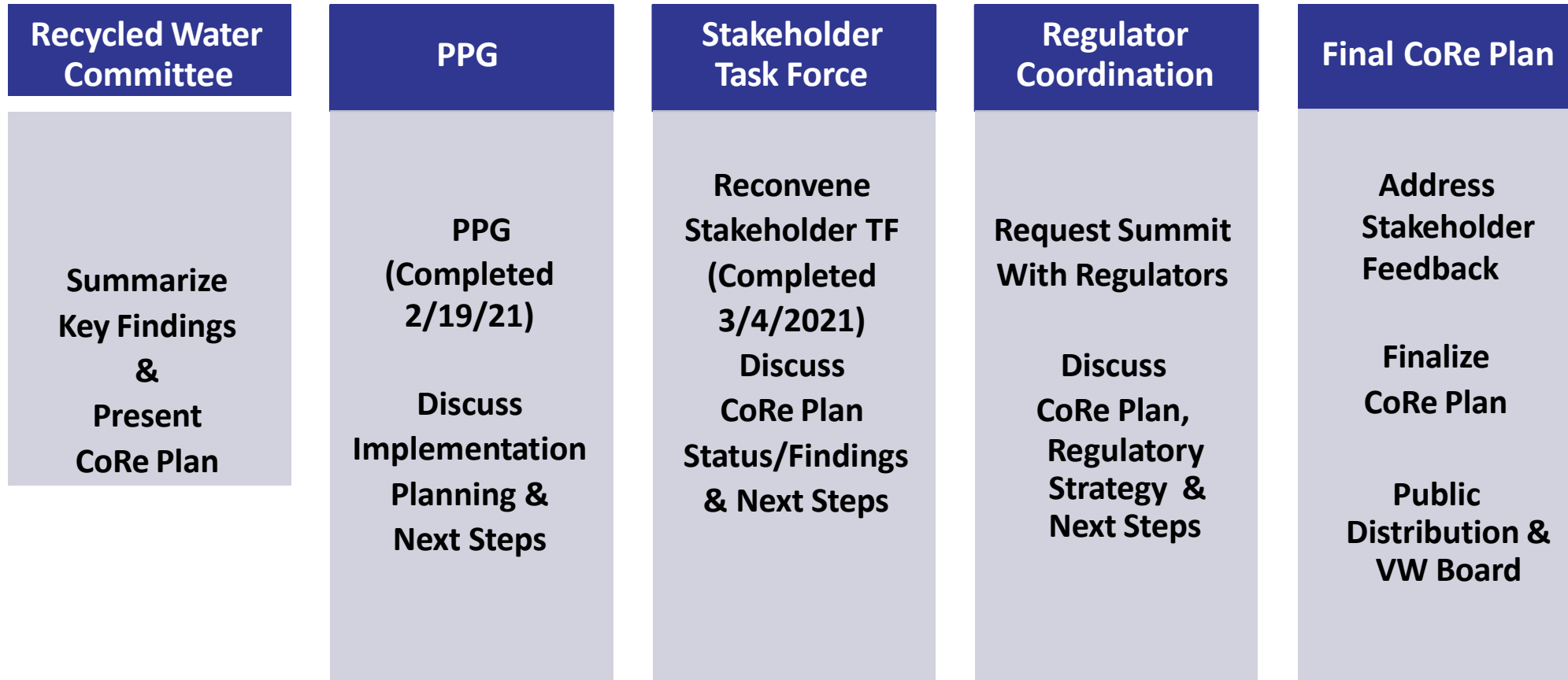
- ✓ NPR/NPR+ System Expansion
- ✓ System Interconnections
- ✓ AWWPFs for NPR+ Expansion

# Next Steps for Implementation

**Partnerships**  
Ongoing collaboration and discussion



# Steps to CoRe Plan Completion



Notes: PPG = Project Partner Group; TF = Task Force; VW = Valley Water.



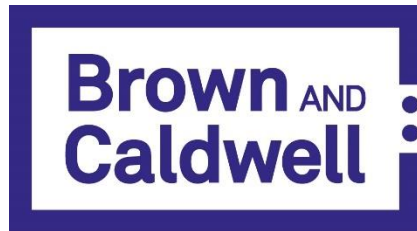
# Valley Water

Clean Water • Healthy Environment • Flood Protection

## DRAFT FINAL Countywide Water Reuse Master Plan (CoRe Plan)

October 14, 2020

Prepared by:



with:

HydroScience 

Trussell  
TECHNOLOGIES INC.

K&A  
KATZ & ASSOCIATES

 Data  
instincts  
Public Outreach Consultants

### Limitations:

*This is a draft report and is not intended to be a final representation of the work done or recommendations made by Brown and Caldwell (BC). It should not be relied upon; consult the final report.*

*This document was prepared solely for Valley Water (Santa Clara Valley Water District) in accordance with professional standards at the time the services were performed and in accordance with the contract between Valley Water and BC dated January 25, 2018. This document is governed by the specific scope of work authorized by Valley Water; it is not intended to be relied upon by any other party except for regulatory authorities contemplated by the scope of work. We have relied on information or instructions provided by Valley Water and other parties and, unless otherwise expressly indicated, **17** made no independent investigation as to the validity, completeness, or accuracy of such information.*

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\*For a full copy of Appendices, click here: <https://fta.valleywater.org/dl/9o6e8Q8gsE/>?

DRAFT FINAL

Countywide Water Reuse Master Plan  
Appendices

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Prepared for  
Santa Clara Valley Water District  
October 2020







# Santa Clara Valley Water District

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**File No.:** 21-0416

**Agenda Date:** 5/3/2021

**Item No.:** 4.3.

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## COMMITTEE AGENDA MEMORANDUM

### Joint RWPAC with Cities of San Jose/Santa Clara/ TPAC

#### **SUBJECT:**

Review Proposed Fiscal Year 2021-2022 Budgets for Silicon Valley Advanced Water Purification Center and South Bay Water Recycling.

#### **RECOMMENDATION:**

That the Joint Recycled Water Policy Advisory Committee make recommendations to the Santa Clara Valley Water District Board of Directors and the San José City Council on their respective proposed budgets for the ensuing fiscal year for the maintenance, expansion, replacement, improvement, and operation of the South Bay Water Recycling system and the Silicon Valley Advanced Water Purification Center.

#### **SUMMARY:**

On March 2, 2010, the Recycled Water Facilities and Programs Integration Agreement (Integration Agreement) was executed between the City of San José and Valley Water. This Agreement outlines the terms of the operational support payments upon commencement of operation of the Silicon Valley Advanced Water Purification Center (SVAWPC) as well as the policy considerations for blending the purified water produced by SVAWPC with the recycled water from City of San Jose and distributed via the South Bay Water Recycling system (SBWR). Pursuant to Article 3. Recycled Water Policy Advisory Committee, Powers and Duties, G.3., the Integration Agreement also specifically requires that on an annual basis, before May 1 of each year, that the parties review the budgets of SBWR and SVAWPC and make recommendations to the Santa Clara Valley Water District Board of Directors and the San José City Council on their respective proposed budgets for the ensuing fiscal year for the maintenance, expansion, replacement, improvement, and operation of the SBWR and the SVAWPC (Article 3.G.3 of Integration Agreement).

The proposed fiscal year 21-22 budget for SBWR is \$14,185,384 and for the SVAWPC is \$4,933,549.

#### **ATTACHMENTS:**

Attachment 1: PowerPoint

#### **UNCLASSIFIED MANAGER:**

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**File No.:** 21-0416

**Agenda Date:** 5/3/2021  
**Item No.:** 4.3.

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Bhavani Yerrapotu, 408-630-2735

# 4.3 Proposed O&M Budgets for SVAWPC and SBWR (FY 21-22)



# SVAWPC O&M Highlights

SVAWPC product water met all permit requirements

SVAWPC reverse osmosis (RO) concentrate met all City requirements

Valley Water continues to optimize plant operations and perform proactive maintenance at SVAWPC

- Micro filtration (MF) autopsy and special clean-in-place
- Plant-scale RO clean-in-place
- Annual plant maintenance activities (tank inspections, biennial electrical testing, etc.)

# SWAWPC Budget (FY20-22)

| Description  | FY20 Actual <sup>1</sup> | FY21 Adopted             | FY22 Proposed <sup>2</sup> |
|--|--------------------------|--------------------------|----------------------------|
| Energy   | \$612,559                | \$600,000                | \$643,000                  |
| Chemicals  | \$502,588                | \$420,000                | \$420,000                  |
| Labor  | \$1,581,618              | \$1,626,676              | \$1,659,756                |
| Other operations & maintenance (O&M) services & supplies | \$1,798,398              | \$2,247,028 <sup>3</sup> | \$2,210,793 <sup>4</sup>   |
| Sinking fund <sup>5</sup> increase/(decrease)            | (\$607,862)              | (\$390,000)              | \$0                        |
| <b>Total O&amp;M Cost</b>                                | <b>\$3,887,301</b>       | <b>\$4,503,704</b>       | <b>\$4,933,549</b>         |

# SWAWPC Budget (FY20-22)

- <sup>1</sup>These are audited numbers from FY20 Independent Auditor's Report for SWAWPC.
- <sup>2</sup>FY22 proposed budget is subject to Valley Water Board approval.
- <sup>3</sup>This includes items listed in the Valley Water Annual Maintenance Work Plan (AMWP) for FY21, i.e. biennial electrical testing, MF system evaluation, and RO transfer pump/motor rehab/rebuilt, analyzer replacements, etc.
- <sup>4</sup>This includes items listed in the Valley Water AMWP for FY22, i.e. tank inspections, UV parts replacement, chemical feed pump replacement, etc.
- <sup>5</sup>Sinking reserve fund was set up in FY15 for \$939,000 and \$967,000 was added in FY16. With \$1,906,000 accumulated in the sinking reserve fund, no additional funds have been budgeted since FY17. In FY20, \$607,862 was used for RO membrane replacement; in FY21, \$390,000 is budgeted for UV lamps and MF membrane replacement; in FY22, no sinking fund is proposed to be used.
- Other small capital projects that are not included in the SWAWPC O&M budget: SWAWPC storage building project and working trailer procurement, the FY21 budget is about \$750,000.

# SBWR Budget (FY20-22)

## Preliminary SBWR Budget Projection

| Description                                       | FY20 Actual        | FY 21 Adopted      | FY22 Proposed       |
|---|--------------------|--------------------|---------------------|
| Program Administration, Permitting and Compliance | \$3,238,936        | \$3,294,426        | \$4,044,794         |
| System Operations and Maintenance                 | \$4,041,268        | \$4,110,503        | \$8,546,749         |
| Capital Planning and Engineering (Studies)        | \$657,826          | \$669,096          | \$821,495           |
| Communication and Outreach                        | \$40,784           | \$48,673           | \$48,673            |
| City of San José Overhead and Capitated Services  | \$696,612          | \$633,064          | \$723,673           |
| <b>TOTAL SBWR Operating Expenses</b>              | <b>\$8,675,426</b> | <b>\$8,755,762</b> | <b>\$14,185,384</b> |
| SBWR Wholesale Recycled Water Sales               | \$14,164,053       | \$14,186,506       | \$15,811,534        |
| City Net Operating Cost: (Savings)                | (\$5,488,627)      | (\$5,430,744)      | (\$1,626,150)       |
| City Net Operating Revenue                        | \$5,488,627        | \$5,430,744        | \$1,626,150         |

# SBWR Budget (FY20-22)

- These are financial audited numbers for FY20.
- FY22 proposed budget subject to San José City Council approval.
- Systems and Operations includes valve exercising, Variable Frequency Drive replacement for the pumps, communication system upgrade, SBWR system hydraulic assessment, master meter and monitoring implementation, and routine preventative maintenance at pump stations, reservoirs, and distribution system.



# SBWR O&M Highlights

SBWR recycled water met all permit requirements.

Focus on replacing or extending the useful life of aging infrastructure.

SBWR continues to optimize recycled water operations and perform proactive maintenance on the distribution system.

- Communication system improvements
- Security improvements
- Ensuring water supply reliability

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