

Proposed O&M Budgets for SVAWPC and SBWR (FY 26-27)



SWAWPC O&M Highlights

FY25 Operational Performance Highlights

- Smooth operations throughout FY25
- Produced 1,518 million gallons (MG) of purified water
- Product water met all permit requirements
- Reverse osmosis (RO) concentrate met all San José-Santa Clara Regional Wastewater Facility (RWF) discharge requirements

SWAWPC O&M Highlights

Valley Water continues Optimizing Operations & Proactive Maintenance

- Performed plant-wide valve replacement project
- Replaced two microfiltration membrane (MF) racks (first replacement since commissioning)
- Conducted annual RO membrane autopsy and Clean-in-Place (CIP)
- Completed all scheduled annual maintenance activities

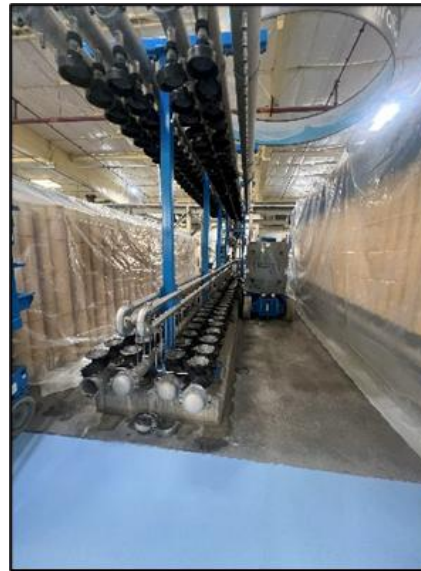
SWAWPC O&M Highlights



Plant-wide valve replacement project



Staff replacing cartridge filter



MF membrane replacement

SVAWPC Budget (FY25-27)

Description	FY25 Actual	FY26 Adjusted	FY27 Proposed
Energy	\$752,250	\$1,150,000	\$1,150,000
Chemicals	\$979,991	\$1,100,000	\$1,100,000
Labor	\$2,300,917	\$2,305,381	\$2,412,424
Other operations & maintenance (O&M) services & supplies	\$3,724,784	\$5,401,318	\$4,431,747
Sink Reserve Increase/(Decrease)	(\$763,971)	(\$534,167)*	\$0
Total O&M Cost	\$6,993,971	\$9,422,532	\$9,094,171

* The Sinking Reserve began FY25 with a balance of **\$1,298,138**. In FY25, **\$763,971** was used to replace two MF membrane racks, leaving **\$534,167** at the start of FY26. The remaining balance will be used in FY26, fully expending the Reserve. These funds were originally expensed in FY15 and FY16 when allocated to the Reserve.

SBWR OVERVIEW



- SBWR was constructed in 1992 as a wastewater discharge compliance measure.
- SBWR offset almost 4 BILLION gallons of potable water in 2025.
- SBWR continues to serve as a key solution to maintaining outdoor spaces during droughts.
- SBWR supports critical infrastructure and economic growth.



SBWR RETAILER UPDATE



- Launched online compliance portal
- Expanded recycled water customer base by 10% over previous year
- Majority are irrigation customers
- Various data centers earmarked to connect to recycled water in the coming years

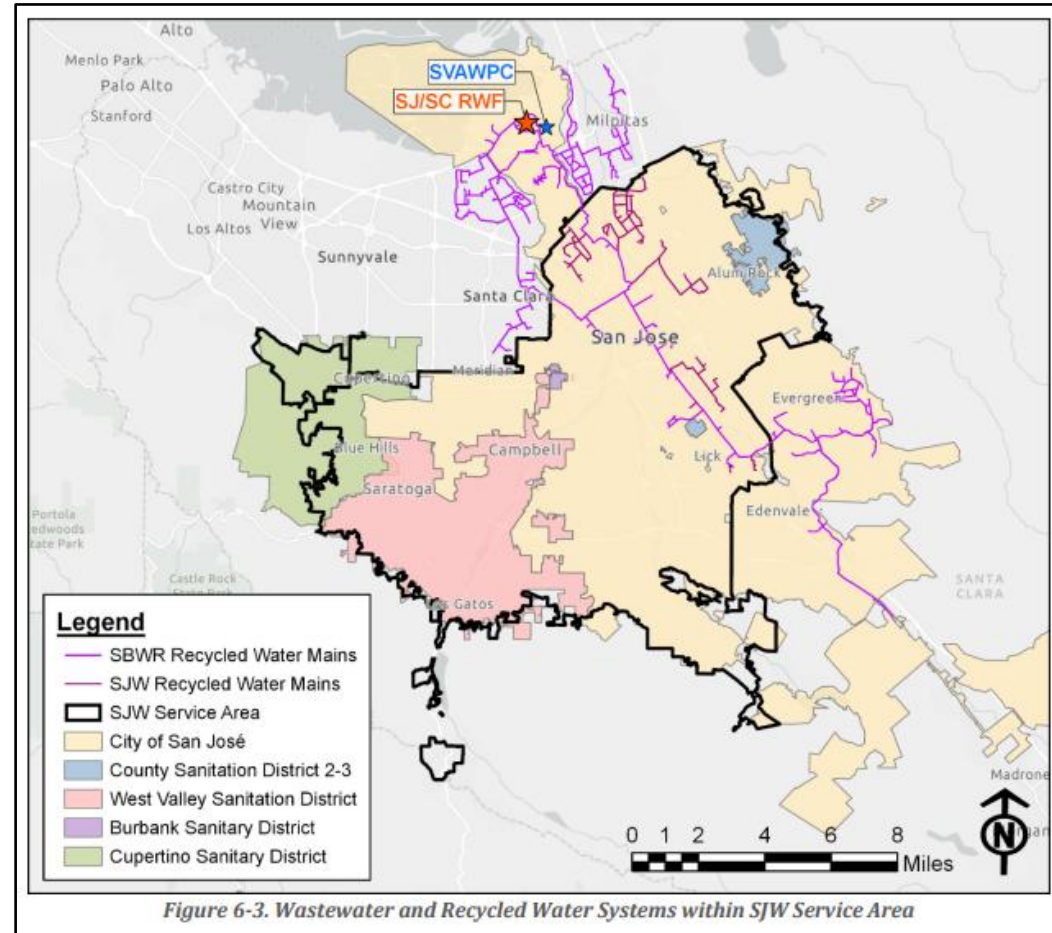


Figure 6-3. Wastewater and Recycled Water Systems within SJW Service Area

[image courtesy of SJW 2020 UWMP](#)

SBWR O&M Highlights



- SBWR met all permit requirements.
- SBWR continues to perform maintenance operations and upgrades of aging infrastructure.
- Phase II Metering and Pressure Monitoring Improvements.
- SBWR system condition assessment & master plan updates.
- Pump station site improvements.



SBWR O&M Multi FY Projects



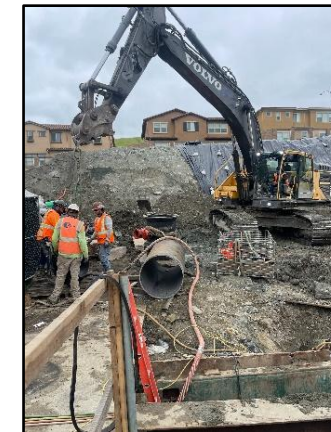
Annual Groundwater Monitoring



Pump Station Drainage and Roadway Improvements



Emergency Planning & System Reliability



Master Metering & Pressure Monitoring Stations

SBWR Budget (FY25-27)



Description	FY25 Actual	FY26 Adopted	FY27 Proposed
Program Administration, Permitting and Compliance	\$2,984,715	\$7,233,433	\$4,937,716
System Operations and Maintenance	\$7,035,741	\$8,673,406	\$10,211,680
Capital Planning and Engineering (Studies)	\$207,727	\$272,595	\$280,773
Communication and Outreach	\$7,941	\$48,898	\$25,472
City of San José Overhead and Capitated Services	\$805,488	\$885,975	\$974,573
TOTAL SBWR Operating Expenses	\$11,041,612	\$17,114,307	\$16,430,213
SBWR Wholesale Recycled Water Sales	\$25,132,101	\$24,860,761	\$28,776,396
City Net Operating Cost: (Savings)	(\$14,090,489)	(\$7,746,454)	(\$12,346,183)
City Net Operating Revenue	\$14,090,489	\$7,746,454	\$12,346,183

Staff's Budget Recommendations

That the Joint Recycled Water Policy Advisory Committee:

Accept this status report on the Proposed Budgets FY 26-27 for SVAWPC and SBWR.

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