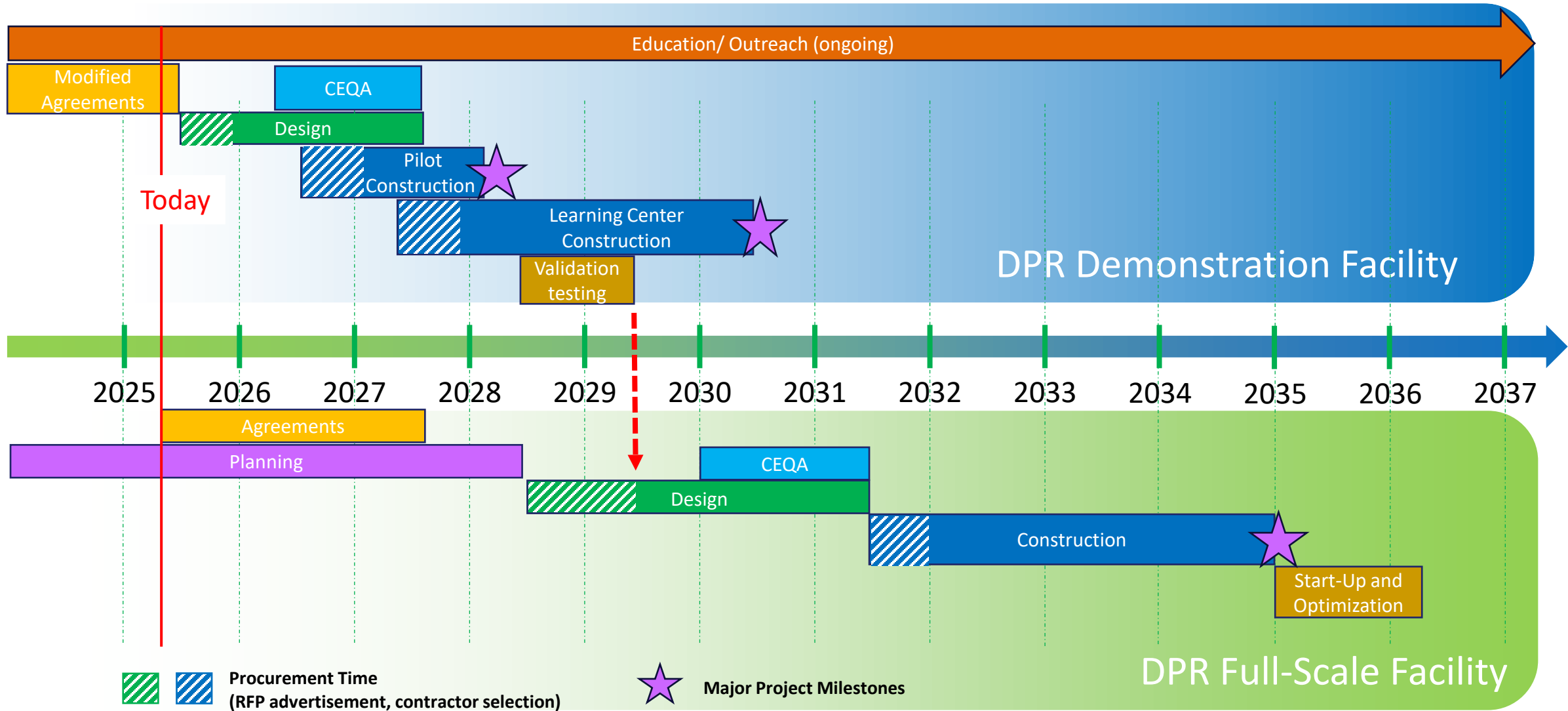




Purified Water Agreements

Presented by: **Kirsten Struve**, Assistant Officer
June 10, 2025

Timeline for San Jose Purified Water Project



Demonstration Facility Agreements

Agreement	Proposed Changes
Option to Lease & Amended Lease	<ul style="list-style-type: none">• Will reserve 2 acres for the learning center/demo facility and addresses site changes from the Microsoft project. The lease will include these additions and extend the term to 2065.• Financial terms are not changing (still will be \$10/year rent). Option consideration will be an additional \$10. Valley Water to cover escrow costs, if any, as part of staff funding agreement.
O&M Agreement	<p>Being amended to cover operation and maintenance of the demonstration facility, which will supply additional flow for recycled water blending.</p> <p>Term extended to 2064</p>
Integration Agreement	<p>Being updated to include the demonstration facility, extend the term, and revise termination and financial terms:</p> <ul style="list-style-type: none">• Term extended from 2050 to 2065• Remove annual termination clause and allow for breaches to be cured• Reset the cost-sharing methodology to account for a projected increase in future revenues. The current methodology for cost-sharing was intended to offset the cost to operate the AWTF with a revenue sharing formula. The new formula will be simpler and that the cost of operation will be fully offset on or about 2030 through a formula that will distribute the net revenues in a manner equitable to each agencies' respective investment in the SBWR system.

