



# Santa Clara Valley Water District

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**File No.:** 21-0721

**Agenda Date:** 7/13/2021

**Item No.:** \*2.8.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Purified Water Project - City of San José Partnership Update (PREVIOUSLY LISTED AS 5.1).

### **RECOMMENDATION:**

Receive Information on the Status of Partnership with City of San José on the Purified Water Project.

### **SUMMARY:**

Following the Joint Meeting of the San José City Council (Council) and the Santa Clara Valley Water District (Valley Water) Board of Directors in March, and an action by the Council on April 13, laying out a process to pursue negotiation of an agreement to reserve wastewater between City of San José (City) and Valley Water, Valley Water's Chair of the Board sent a letter to the Council requesting reconsideration of the Council's decision to pursue an agreement for treated wastewater transfer only.

In order for the Purified Water Project to occur in San José, agreements to expand the Silicon Valley Advanced Purification Center (SVAWPC), water, additional land, and RO Concentrate management are needed. In addition, staff had not been making progress on these issues over the last few years, therefore involvement of elected officials from both agencies is needed. After an initial deadline provided by Valley Water, which was extended to June 1, no response was received from the City, except a letter from the City Manager reiterating Council direction.

At the June 15 Council meeting, a report "of no progress in negotiations" was considered on the consent agenda (Attachment 1). Valley Water staff provided written comment on this item to the Council via email, reiterating why negotiation of all elements and elected official involvement is needed. The item was pulled from the consent calendar, and Valley Water staff was asked to respond to a question on the status of the negotiations. Both the staff report and the verbal response from City staff and elected officials included inaccuracies as follows:

- The staff report and verbal report stated that Valley Water disengaged from the process and refused to meet with City staff. In fact, Valley Water staff reached out several times to schedule a meeting to discuss mutually agreeable facilitators. Staff from both agencies discussed this issue via email and on the phone.

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- Verbal reports from City staff at the June 15 meeting indicated that requesting elected official involvement was disrespectful by Valley Water and unusual. In fact, the negotiations to construct the SVAWPC involved elected officials, because it required policy level leadership to facilitate staff discussion. Such a request was made because staff level negotiations have not resulted in sufficient progress.

The City's staff report for the joint Board and Council meeting on March 19 included two options, due to the City's limited staff availability. One option was to focus solely on a wastewater agreement, which as stated by our Board Chair's letter, is not sufficient to implement this critical project. The other was to defer working with the City and proceed with a project in Palo Alto. Given the City's limited staff time and refusal to engage elected officials and expand the negotiations to cover all needed items, Valley Water staff has focused on working with Palo Alto to develop the elements needed to proceed with the Purified Water Project.

**FINANCIAL IMPACT:**

There is no financial impact associated with this item.

**CEQA:**

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

**ATTACHMENTS:**

Attachment 1: 061521 SJ City Council Agenda Item 2.12

**UNCLASSIFIED MANAGER:**

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