



Santa Clara Valley Water District

File No.: 21-0979

Agenda Date: 9/14/2021

Item No.: 4.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Purified Water Project - City of San José Partnership Update.

RECOMMENDATION:

- A. Receive information on the status of partnership with City of San José on the Purified Water Project;
- B. Direct staff to identify a mutually agreeable facilitator to support discussions with the City of San José on partnership options on the Purified Water Project;
- C. Authorize Chief Executive Officer to develop and provide City of San José a draft term sheet for potential partnership for the Purified Water Project; and
- D. Authorize Chief Executive Officer to explore compensating City of San José for staff time to participate through December 31, 2021, in facilitated discussions and development of a partnership agreement.

SUMMARY:

At the July 13, 2021, Santa Clara Valley Water District (Valley Water) Board meeting, San José Vice Mayor Chappie Jones offered to meet informally with select Valley Water Board members to discuss Purified Water Project partnership opportunities with the City of San José. Subsequently, Chairperson Estremera and Directors Hsueh and LeZotte held an initial meeting with the Vice Mayor, the Mayor's office, and select San José Councilmembers and their staffs on August 11, 2021.

During a follow-up meeting on August 25, 2021, San José Vice Mayor Jones offered a comprehensive set of guiding principles to move these discussions forward:

- Identify a mutually agreeable facilitator to assist with development of terms for securing wastewater, land lease, Reverse Osmosis Concentrate management, and amending the integration agreement;
- Both parties are to provide draft "term sheets" with expected outcomes for use in the facilitated discussions;
- Verbal commitment from Valley Water to explore compensation for City of San José staff participation;
- Establish regular updates and consultation with the Board and City Council; and
- Consensus to have an agreement in place by the end of the 2021 calendar year.

The goal of these facilitated meetings/discussions is for this collaborative process to lead toward concurrence on agreement terms for future consideration by our full Board and the City Council. Next steps include written confirmation of these guiding principles with the Vice Mayor and to have staff begin procurement to secure a facilitator agreeable to both parties. Vice Mayor Jones is expected to provide a verbal update on this topic to the City of San José Rules Committee on September 8, 2021, with a potential update to the City Council on September 14, 2021.

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:

None.

UNCLASSIFIED MANAGER:

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