



Santa Clara Valley Water District

File No.: 22-1314

Agenda Date: 11/22/2022

Item No.: *3.9.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt a Resolution by the Santa Clara Valley Water District Authorizing Representatives to Submit a Grant Application to the United States Bureau of Reclamation Desalination and Water Purification Research Program: Research Projects Program Funding FY 2023 for up to \$800,000 and, if Awarded, Delegate Authority to the Chief Executive Officer or Designee, to Negotiate and Execute a Grant Agreement and any Amendments Thereto, for the Pilot-Scale Treated Water Augmentation Project, Project No. 91101004.

RECOMMENDATION:

- A. Adopt the Resolution AUTHORIZING SUBMISSION OF A GRANT APPLICATION TO THE UNITED STATES BUREAU OF RECLAMATION DESALINATION AND WATER PURIFICATION RESEARCH PROGRAM: RESEARCH PROJECTS PROGRAM FUNDING FISCAL YEAR 2023 FOR UP TO \$800,000 AND, IF AWARDED, DELEGATE AUTHORITY TO THE CHIEF EXECUTIVE OFFICER OR DESIGNEE, TO NEGOTIATE AND EXECUTE A GRANT AGREEMENT AND ANY AMENDMENTS THERETO, FOR THE PILOT-SCALE TREATED WATER AUGMENTATION PROJECT, PROJECT NO. 91101004;
- B. Delegate authority to the Chief Executive Officer (CEO), or designee, to submit a grant application and, if awarded, to negotiate and execute a Grant Agreement with US Bureau of Reclamation (USBR) to support the Pilot-Scale Treated Water Augmentation Project, provided all grant requirements can be met;
- C. Delegate authority to the CEO, or designee, including the Chief Financial Officer (CFO), to sign and submit invoices to USBR for grant fund reimbursements to be made pursuant to the Grant Agreement; and
- D. Delegate to the CEO, or designee appointed by the CEO, such other authority as needed, to provide management and support services required for the performance of the work and administration, pursuant to the Grant Agreement, as deemed necessary and appropriate.

SUMMARY:

Staff recommends submitting a grant application to the USBR for a Desalination and Water Purification Research Program in accordance with the application deadline of November 30, 2022, for Santa Clara Valley Water District's (Valley Water) Pilot Scale Treated Water Augmentation (TWA) Project (Project). The Project evaluates various blends of purified water and conventional drinking water in a pilot-scale distribution pipeline network and analyzes factors that are critical to drinking water distribution system operations and water quality.

The findings and results will inform future Potable Reuse projects that may be implemented by Valley Water. The Project will be implemented in partnership with Stanford University (Stanford) and the University of California Berkeley (UC Berkeley), pursuant to cost share agreements to be negotiated with each party. Valley Water coordinated with Stanford and UC Berkeley to finalize the grant application, which will defray costs associated with the pilot system's technical studies up to \$800,000. The Project duration is estimated to be thirty-six months.

Grant-Funded Project Description

The Project will provide valuable information regarding direct potable reuse (DPR) in California. Pilot-Scale Treated Water Augmentation will assist Valley Water and other stakeholders in evaluating the impact of potable reuse and conventional drinking water blends on distribution system operations and water quality.

This Project will also likely inform future decisions and regulatory developments pertinent to direct potable reuse. Valley Water has received support for this project in the form of letters of support included with our grant application from various organizations such as the National Water Research Institute (NWRI), Orange County Water District, Bay Area Clean Water Agencies (BACWA), and the Cities of Palo Alto and San Mateo County.

Submitting grant applications or entering into agreements whereby Valley Water receives federal funds is subject to board approval (see Valley Water's Executive Limitations Policy 5.3.2). As a condition of the grant application, USBR requires the board to adopt a resolution authorizing staff to submit the application. (Attachment 1).

Next Steps

If staff recommendations are approved and the board adopts the resolution, staff will submit the grant application. A formal decision on grant funding is expected in the next three to six months.

Valley Water staff has implemented a software program to identify and track compliance responsibilities for grants management. Before executing the Grant Agreement, staff will review and confirm all grant requirements to ensure ongoing compliance with the terms and conditions.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice Impacts associated with this action. Seeking outside funding to provide support for the Project could result in enhanced water supply options for all residents of Santa Clara County.

FINANCIAL IMPACT:

The preliminary cost estimate for the Project is \$1,802,067. The grant would reimburse \$800,000 of total Project costs. Valley Water would contribute \$1,002,067 during three separate fiscal years.

There are adequate funds in the Project's FY 2022-23 Adopted Budget to encumber the anticipated expenditures to be incurred during the current fiscal year if the grant is awarded. Funds to cover subsequent fiscal year expenses will be included in the biennial budget and recommended by staff during the annual fiscal year budget process, or through budget adjustment(s).

This Project will be funded by the existing and forecasted Recycled and Purified Water Unit budget (Project # 91101004).

CEQA:

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

ATTACHMENTS:

Attachment 1: Resolution

UNCLASSIFIED MANAGER:

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