

TO: PARKS AND RECREATION COMMISSION
FROM: DAREN ANDERSON
DEPARTMENT: COMMUNITY SERVICES
DATE: SEPTEMBER 28, 2021
SUBJECT: UPDATE ON VALLEY WATER'S PURIFIED WATER PROJECT

RECOMMENDATION

Staff recommends that the Parks and Recreation Commission (Commission) receive information on the Santa Clara Valley Water District (Valley Water) Purified Water Project.

BACKGROUND

The Santa Clara Valley Water District (Valley Water), continues to collaborate with the cities of Palo Alto and Mountain View on recycled and purified water planning and expansion projects.

Northwest County Recycled Water Strategic Plan (Strategic Plan) was completed in 2019 and presented to the Palo Alto City Council on March 3, 2020. The Strategic Plan included an evaluation to expand recycled water from the Palo Alto Regional Water Quality Control Plant (RWQCP) to recycled water customers in Stanford, Los Altos, Los Altos Hills, Mountain View, East Palo Alto and Menlo Park. Key deliverables included: a financial plan, preliminary design, funding strategies, and a study of groundwater in Northwest County. Valley Water contributed 90% of the cost for this effort with Palo Alto contributing the remaining 10%.

A Partnership Agreement (Agreement) to Advance Resilient Water Reuse Programs in Santa Clara County between Valley Water and the Cities of Palo Alto and Mountain View was executed at the end of 2019. The Agreement includes three major components including: Valley Water funding a local salt removal facility in Palo Alto (for \$16M); an effluent transfer option to Valley Water for a regional purification facility; and a water supply option for the Cities of Palo Alto and Mountain View to request additional water supply if needed.

Project Description

The Purified Water Project (proposed Project) would include the construction of a new advanced water purification facility (AWPF), water conveyance pipelines to the existing Los Gatos Recharge System complex located in the City of Campbell, lateral pipelines, and associated facilities. The AWPF would be located either at the existing Silicon Valley Advanced Water Purification Center on Zanker Road in San José or located at the Former Los Altos Treatment Plant (FLATP) in Palo Alto. The proposed Project would use advanced water purification processes, including reverse osmosis (RO) treatment and would generate purified water for ground water recharge.

The purpose of the proposed Project is to establish greater water supply reliability for Santa Clara County and to help ensure continued groundwater sustainability. The proposed Project's objectives to meet this purpose are as follows:

- Support Valley Water’s water supply reliability goals, including the provision of at least 10% of all water supplies through recycled water
- Develop the use of purified water, consistent with Valley Water’s adopted Water Supply Master Plan 2040.
- Implement a potable reuse supply project that provides 10 million gallons per day (MGD) to 12.5 MGD production capacity for an annual yield of approximately 11,200 acre-feet per year (AFY) of sustainable purified water supply for long-term/future demands.

The proposed Project will utilize a Public-Private Partnership (P3) model to effectively use private sector innovation and financing. The proposed Project, if located in Palo Alto, will provide benefits to the City such as payments for treated wastewater and land lease, as well as increased use of treated wastewater to further regional sustainability and climate adaptation goals.

DISCUSSION

The proposed site for the AWP in Palo Alto is the former FLATP Site located at the end of San Antonio Road in Palo Alto. The environmental work includes the delineation of existing wetlands, and the geotechnical work includes a field exploration to determine soil conditions at the site.

City and Valley Water staff are collaborating on the discharge of Reverse Osmosis Concentrate from the facility, developing operations parameters and a land lease for the FLATP.

The Notice of Preparation (NOP) was released on March 19, 2021 and the public scoping meeting was held on March 29, 2021. Outreach was conducted to encourage attendance at the scoping meeting via an outreach mailer, announcements at tours of the Silicon Valley Advanced Purification Center, and continued engagements with staff from the Cities of San José and Palo Alto to reach key stakeholder groups. Prior to the release of the NOP, Valley Water staff and consultants met with the planning department staff of both Palo Alto and San José as these cities will be the responsible agencies under California Environmental Quality Act (CEQA).

Palo Alto and Valley Water staff are meeting regularly to collaborate on outreach related to this project. Staff conducted virtual tours of the Silicon Valley Advanced Water Purification Center for two stakeholder groups in Palo Alto: Oshman Family Jewish Community Center and the Palo Alto Fellowship Forum and held informational meetings with environmental stakeholders in Mountain View and Palo Alto.

RESOURCE IMPACT

Valley Water is implementing this project using a design-build-finance-operate-maintain (DBFOM) delivery method, also referred to as a public private partnership (P3).

ENVIRONMENTAL ASSESSMENT

Valley Water, acting as lead agency for the proposed Project, has determined that an Environmental Impact Report (EIR) is required to satisfy the requirements of CEQA. The draft EIR will evaluate the proposed Project’s environmental conditions, range of alternatives, potential environmental impacts associated with the proposed Project implementation, and provide mitigation measures.

TIMELINE

Valley Water's procurement process is ongoing. A Request for Qualification (RFQ) was released and eight statements of qualifications were submitted. A Request for Proposal (RFP) and the draft EIR will be released in the winter. A tentative timeline is as follows:

- Selection and contract award: 2022
- Design: 2022 - 2024
- Construction: 2024-2028

ATTACHMENTS