



RECYCLED WATER MEETING

MINUTES

**WEDNESDAY MAY 9, 2018
12:00 P.M.**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District (District) Recycled Water Committee (Committee) was called to order in the District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, on Wednesday May 9, 2018, at 12:00 p.m.

1. CALL TO ORDER

1.1. Roll Call.

Committee members in attendance were District 2 Director B. Keegan, District 7 Director G. Kremen, and District 6 Director T. Estremera, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were E. Aryee, H. Ashktorab, P. Baltar, H. Barrientos, F. Dela Cruz, C. Hakes, G. Hall, L. Jaimes, K. Jessup, M. Lugo, M. Meredith, B. Redmond, M. Sinaki, C. Sun, D. Taylor, and D. Tucker.

Also in attendance was Mr. David M. Moore, Clean Energy Capital Managing Director, and Ms. Dolly Chen and Mr. Phillippe Daniel, HDR Consulting.

1.2. Time Open for Public Comment on Any Item Not on the Agenda.

Chairperson Estremera declared time open for public comment on any subject not on the agenda. There was no one present who wished to speak.

2. APPROVAL OF MINUTES

2.1 Approval of Minutes.

Recommendation: Approve the minutes of the March 21, 2018 meeting.

The Committee considered the attached minutes of the March 21, 2018 meeting. It was moved by Director Keegan, seconded by Director Kremen, and unanimously carried that the minutes be approved as presented.

3. ACTION ITEMS

3.1 Expedited Purified Water Program Update.

Recommendation: Receive information on and discuss the P3 Expanded Shortlist of Qualified Firms, the Draft P3 Term Sheet, and next steps for the P3 Procurement process.

Mr. Emmanuel Aryee, Capital Engineering Manager, reviewed the information on this item, per the attached Committee Agenda Memo, and Mr. David M. Moore, Clean Energy Capital Managing Director, reviewed the corresponding presentation materials contained in Attachment 2.

Mr. Stan Williams, Poseidon Water, expressed concern with the inability to view the Draft P3 Term Sheet until publication of the Committee's meeting agenda, and that the Request for Proposal (RFP) schedule was slipping from April through December 2018, to July 2018 through March 2019. He encouraged a simplified RFP process, thorough and timely communications with P3 candidates, and open communication with P3 candidates about the RFP selection process.

The Committee made the following requests:

- Revise the Draft P3 Term Sheet to allow for proposals for facilities other than the City of San Jose facilities, as described Attachment 1, Page 4, Section 11;
- Consider including language in the Draft P3 Term Sheet that allows the Water Unit Price Ceiling, discussed in Attachment 1, Page 10, Section 21, to be raised over time;
- Investigate opportunities to broaden Attachment 1, Page 24, Section 48 so that P3 entities can propose innovative solutions to ownership issues, such as Reverse Osmosis Concentrate, as able, or as feasible within bond financing requirements;
- Investigate options, and other agency's best management practices, for contractor or consultant contractual ability or restriction to issue press releases, advertise, or otherwise communicate with the public about projects (Informal Board Member Request No. I-18-0008);
- Staff is to schedule a special Committee Work/Study Session on the Expedited Purified Water Program in July 2018;
- Staff is to provide monthly updates to the Board on the Expedited Purified Water Program; and
- Staff is to ensure that District Boardroom Live-Streaming audio issues are resolved, and provide live webcasting of all future Recycled Water Committee meetings.

Director Keegan encouraged a staff presentation on the Draft P3 Term Sheet to the full Board of Directors, and additional public outreach purified water production costs and the District's investment in purified water for future water supply.

The Committee noted the information, without formal action.

3.2 April 19, 2018 Joint Recycled Water Policy Advisory Committee (JRWPAC) Meeting Feedback, Follow Up, and Outcomes.

Recommendation: Receive information and discuss next steps.

Mr. Hossein Ashktorab, Recycled and Purified Water Manager, reviewed the information on this item, per the attached Committee Agenda Memo, and per the corresponding presentation materials contained in Attachment 1.

The Committee noted the information, without formal action.

3.3 Update on Countywide Water Reuse (Recycled and Purified Water).

Recommendation: Receive information and discuss next steps on progress on the water Reuse Master Plan baseline efforts.

Mr. Luis Jaimes, Senior Project Manager, reviewed the information on this item, per the attached Committee Agenda Memo, and per the corresponding presentation materials contained in Attachment 1.

The Committee noted the information, without formal action.

3.4 Update on Reverse Osmosis Concentrate Management.

Recommendation: Receive information and discuss next steps on:

- A. Status of amendment and time extension to the consultant agreement between the Santa Clara Valley Water district and GHD, Inc., Agreement No. A4034G (Agreement);
- B. Status of the grant agreement with the State Water Resources Control Board (SWRCB) for funding research studies; and
- C. Outcomes from the most recent stakeholder meetings pertinent to Reverse Osmosis Concentrate Management (ROCM) options.

Mr. Medi Sinaki, Senior Engineer, Water Quality, reviewed the information on this item, per the attached Committee Agenda Memo, and per the corresponding presentation materials contained in Attachment 1.

The Committee noted the information, without formal action.

3.5 Update on District/City of Palo Alto/City of Mountain View and City of Sunnyvale Collaboration Efforts.

Recommendation: Receive information and discuss next steps on:

- A. Northwest County Recycled Water Strategic Plan;
- B. Comprehensive Agreement between District and City of Palo Alto; and
- C. Comprehensive Agreement between District and City of Sunnyvale.

Mr. Ashktorab reviewed the information on this item, per the attached Committee Agenda Memo, and per the corresponding presentation materials contained in Attachment 1.

The Committee made the following requests:

- Include information on the District's Recycled Water Program in their presentations, when they go to Board or City Councils with presentations on Recycled Water Comprehensive Agreements; and
- Expedite the Comprehensive Agreement negotiations with the City of Palo Alto in consideration of the planned joint meeting between the District Board of Directors and Palo Alto City Council.

The Committee noted the information, without formal action.

3.6 Update on District, San Francisco Public Utilities Commission (SFPUC), and Bay Area Water Supply and Conservation Agency (BAWSCA) Collaboration Efforts.

Recommendation: Receive information and discuss next steps on District/SFPUC/BAWSCA feasibility study.

Mr. Ashktorab reviewed the information on this item, per the attached Committee Agenda Memo, and per the corresponding presentation materials contained in Attachment 1.

The Committee noted the information, without formal action.

3.7 Update on South County Recycled Water Projects and District, Producers, Wholesalers, and Retailers Agreements.

Recommendation: Receive information and discuss next steps on:
A. Status of South County Recycled Water Master Plan Implementation; and
B. Partnership Agreements.

Mr. Ashktorab reviewed the information on this item, per the attached Committee Agenda Memo, and per the corresponding presentation materials contained in Attachment 1.

The Committee made the following requests:

- Look for opportunities to bring the South County Recycled Water Producers, Wholesalers, and Retailers Agreements into conformance with Recycled Water Agreements held, or being negotiated with, other areas in the county; and

- Come back during the August 8, 2018 regular Committee meeting with policy proposals and an opportunity for Committee discussion regarding a recommendation to the Board on District engagement in the governance of the South County Regional Wastewater Authority (SCRWA).

The Committee noted the information, without formal action.

3.8 Review Recycled Water Committee Work Plan and Discuss 2018 Meeting Schedule.

Recommendation: Review and make necessary adjustments to the Committee Work Plan, and confirm next meeting time, date, and discussion subjects.

The Committee noted the information, without discussion or action.

4. ADJOURN:

4.1 Clerk Review and Clarification of Board Requests.

Ms. Michelle Meredith, Deputy Clerk of the Board, read the new Committee Recommendations and Requests into the record, as follows:

In regards to Item 3.1:

- Revise the Draft P3 Term Sheet to allow for proposals for facilities other than the City of San Jose facilities, as described Attachment 1, Page 4, Section 11;
- Consider including language in the Draft P3 Term Sheet that allows the Water Unit Price Ceiling, discussed in Attachment 1, Page 10, Section 21, to be raised over time;
- Investigate opportunities to broaden Attachment 1, Page 24, Section 48 so that P3 entities can propose innovative solutions to ownership issues, such as Reverse Osmosis Concentrate, as able, or as feasible within bond financing requirements;
- Investigate options, and other agency's best management practices, for contractor or consultant contractual ability or restriction to issue press releases, advertise, or otherwise communicate with the public about projects (Informal Board Member Request No. I-18-0008);
- Staff is to schedule a special Committee Work/Study Session on the Expedited Purified Water Program in July 2018;
- Staff is to provide monthly updates to the Board on the Expedited Purified Water Program; and
- Staff is to ensure that District Boardroom Live-Streaming audio issues are resolved, and provide live webcasting of all future Recycled Water Committee meetings.

In regards to Item 3.5:

- Include information on the District's Recycled Water Program in their presentations, when they go to Board or City Councils with presentations on Recycled Water Comprehensive Agreements; and
- Expedite the Comprehensive Agreement negotiations with the City of Palo Alto in consideration of the planned joint meeting between the District Board of Directors and Palo Alto City Council; and

In regards to Item 3.7:

- Look for opportunities to bring the South County Recycled Water Producers, Wholesalers, and Retailers Agreements into conformance with Recycled Water Agreements held, or being negotiated with, other areas in the county; and
- Come back during the August 8, 2018 regular Committee meeting with policy proposals and an opportunity for Committee discussion regarding a recommendation to the Board on District engagement in the governance of the South County Recycled Water Authority.

4.2 Adjourn to Regular Meeting at 12:00 p.m., on August 8, 2018, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson Estremera adjourned the meeting at 2:00 p.m. to the Special Expedited Purified Water Program Work Study Session, to be scheduled during July 2018 and posted in accordance with the Brown Act.

Michelle Meredith
Deputy Clerk of the Board

Approved: