



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve Memorandum of Understanding with Santa Clara Valley Water District for Collaboration on Assessing the Feasibility of Water Reuse Alternatives and Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines, Section 15262

BACKGROUND

Approval is requested of the Memorandum of Understanding (MOU) between the City of Sunnyvale (Sunnyvale) and the Santa Clara Valley Water District (District) for Collaboration on Assessing the Feasibility of Water Reuse Alternatives. Over the last three years the City has been working in partnership with the Santa Clara Valley Water District (District) to further the development of recycled water and potable re-use projects in the County. The City currently has several cost share agreements and Memoranda of Understanding with the District outlining our mutual interests in these various projects and pursuits (Attachment 1). This MOU describes the parties' further commitments to identify the requirements, issues, activities, resources, costs, and funding necessary to implement potable and non-potable water reuse alternatives.

EXISTING POLICY

Sunnyvale General Plan, Chapter 7, *Environmental Management*

Goal EM-1 Adequate Water Supplies: Acquire and manage water supplies so that existing and future reasonable demands for water, as projected in the 20-year forecast, are reliably met.

Policy EM-1.2: Maximize recycled water use for all approved purposes both within and in areas adjacent to the City, where feasible.

ENVIRONMENTAL REVIEW

Approval of the MOU is exempt from review under the California Environmental Quality Act (CEQA) because it authorizes feasibility or planning studies for possible future actions which have not been approved, adopted, or funded (CEQA Guidelines Section 15262). Section 8 of the MOU specifies that it does not commit or obligate either party to any particular course of action, and that the parties shall not approve a selected Water Reuse Alternative until the required environmental review is completed in compliance with CEQA.

DISCUSSION

The terms of the MOU presented for Council consideration cover important assumptions and considerations such as source water availability, permitting, reverse osmosis concentrate management, land requirements, and governance. Studies of specific interest and involvement of the City include studies related to determining the maximum allowable water the City could supply to the District after meeting the City's regulatory and process needs. The proposed MOU also includes

feasibility studies related to the siting of potential water quality improvement facilities above and beyond those required to meet the City's permit for discharge into the Bay, and supporting the District with their own feasibility studies related to residual and side stream management, siting, water quality, and regulatory requirements.

Draft terms intended for incorporation in the MOU were presented to the Joint Recycled Water Committee of elected officials from Mountain View, Palo Alto, and Sunnyvale on September 27, 2016 and the MOU has been approved by the District Board on March 28, 2017. The MOU has an expiration date of December 31, 2020, unless replaced with a more comprehensive agreement if both parties have further interests in developing recycled water facilities once the feasibility studies are completed. Any further action that is identified to be needed because of this MOU, will be presented to Council for consideration and approval.

FISCAL IMPACT

Most the studies and efforts that are part of this MOU are to be led by the District and, as such, funded by the District. For studies and efforts benefiting the City, funding will come from Project 832430- Recycled & Potable Water Plan Development, which was approved by Council on September 20, 2016 (RTC No. 16-0654) and included in Budget Modification No. 11, which allocated \$250,000 for this effort. As both the Wastewater and Water utilities benefit from recycled water projects, funding is provided from both enterprises on the same basis as the funding shares used to construct the original recycled water distribution system.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Authorize the City Manager to execute the Memorandum of Understanding with the Santa Clara Valley Water District in substantially the same form as set forth in Attachment 2, for Collaboration on Assessing the Feasibility of Water Reuse Alternatives, and find that this action is exempt from CEQA pursuant to Section 15262 of the CEQA Guidelines.
2. Take no action on this proposed MOU.

STAFF RECOMMENDATION

Alternative 1: Authorize the City Manager to execute the Memorandum of Understanding with the Santa Clara Valley Water District in substantially the same form as set forth in Attachment 2, for Collaboration on Assessing the Feasibility of Water Reuse Alternatives, and find that this action is exempt from CEQA pursuant to Section 15262 of the CEQA Guidelines.

Prepared by: Bhavani Yerrapotu, WPCP Division Manager, Environmental Services

Reviewed by: Kent Steffens, Assistant City Manager

Reviewed by: John A. Nagel, City Attorney

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. List of Potable and Recycled Water Reuse Agreements

2. MOU for Collaboration on Assessing the Feasibility of Water Reuse Alternatives