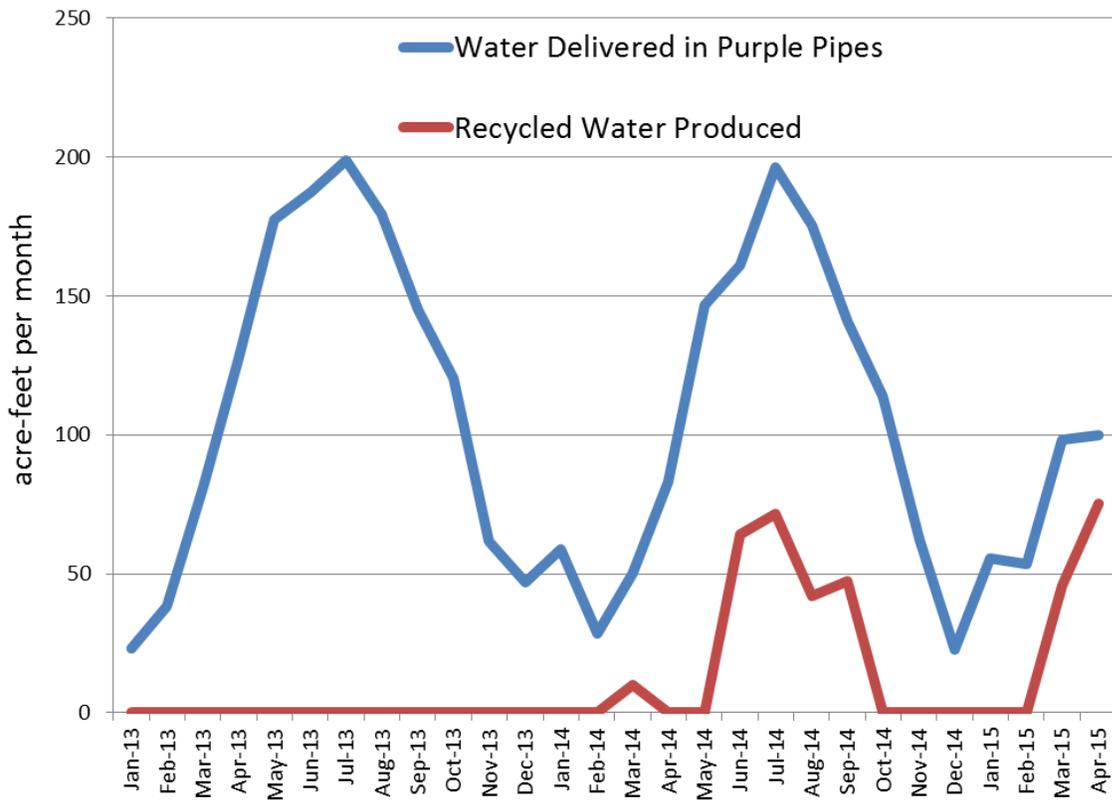


Recycled Water Production Update

As has been discussed at Council, the production of recycled water at the Water Pollution Control Plant is currently problematic and infrequent. Council recently approved the construction contract that when completed next year will allow for the reliable and continuous production of recycled water in parallel with Bay discharge. With the current distribution network, approximately 1,200 acre-feet (af) of recycled water could be produced and delivered annually thereby reducing the potable demand in Sunnyvale by about 6 percent. This would be a big step toward the goal of a 30 percent reduction in potable water use.

As shown in the graph below, no recycled water was produced in 2013. All water delivered through the recycled water distribution system (purple pipes) in 2013 was potable water from the SFPUC. In 2013 (and the few years before) there was little economic incentive to produce recycled water due to the minimum quantities established in the SFPUC and Water District contracts.



However, with the onset of the drought, and the reduction of the contract minimums, the situation changed in 2014. Anticipating this, WPCP staff were able to make the improvements in the piping, control systems, and operational protocol to allow significant recycled water production in the future. As shown in the graph, approximately 235 af of recycled water was produced in 2014. The remainder of the deliveries (about 1,000 af) was made up with SFPUC water.

Moving forward, while the WPCP cannot produce the full 1,200 af until the capital project improvements are completed, WPCP staff are committed to produce the maximum amount of recycled water feasible. Given the current infrastructure condition at the WPCP, staff have established a goal of producing at least 750 af this year and will produce more if possible. The marginal cost of producing recycled water (above the cost of producing Bay discharge) is about \$300 per af. The cost of SFPUC water will be about \$1,630 per af. Therefore, there is now a strong economic incentive to produce recycled water. Staff will periodically inform Council of the status of recycled water production, as well as the progress of the aforementioned capital project.