

Miriam Lens

From: Colleen Kamai
Sent: Tuesday, December 16, 2014 3:54 PM
To: List-Mayor-Council
Subject: Agenda item #7: Recycled Water Project
Attachments: Letter to BAWSCA Re Long-Term Water Supply Strategy Phase II.PDF

All,

On behalf of Alex Ameri, Director Of Public Works – Utilities & Environmental Services please see information below and attached. It is related to an item on this evening's Council meeting agenda. Regards, Colleen

Attached is a letter to BAWSCA from 2011 in which I discussed why we did not want to include this recycled Water project in the BAWSCA's Long-Term Water Supply Strategy. The letter is self-explanatory so I'm not going to reiterate its contents here. However, I don't think that not including the project can prevent the City from entering into discussions with other wholesale customers of SFPUC to implement water conservation, or alternative water supply projects, to the benefit of other agencies in exchange for fair and agreed upon monetary compensation to the City. I believe committing the City to long-term use of recycled water for the mere payment of its cost to the City by potential beneficiaries may not be the best option for the City.

Please note that during the 2009 Water Supply Agreement negotiations with SFPUC, Art specifically mentioned that Hayward should be excluded from the ability to sell part of its water supply to other agencies. I told Art that while, in view of Hayward's special agreement, I understood that we can't sell part of our allocation since we don't have a ceiling in our purchases during the normal water years, I offered that we should be able to do so if we develop water supplies separate from SFPUC (e.g., recycled or groundwater) and commit to using them long-term. Both he and Ray McDevitt, BAWSCA's attorney, said no. To this day I cannot quite understand the logic in that. I believe we should not get into the BAWSCA mix before this issue has been resolved to the City's satisfaction.



CITY OF
HAYWARD
HEART OF THE BAY

February 14, 2011

Bay Area Water Supply and Conservation Agency
155 Bovet Road, Suite 302
San Mateo, CA 94402
Attention: Nicole Sandkulla, Water Resources Planning Manager

Dear Ms. Sandkulla: *Nicole,*

This letter is in response to your January 24 communication regarding the Long-Term Water Supply Strategy Phase IIA, in which you requested a commitment to provide additional information related to, among other things, the project costs, schedule, water quality, and environmental impacts for evaluation of water supply projects. We understand that your preference is to receive the information by April 1, but if that date cannot be met, you are asking for a specific date by which we will provide the data. We appreciate this opportunity to review the information that you provided, and to further consider the projects which have been identified for Hayward and their potential role in the Strategy.

We have perused the four Hayward projects that, to date, have been retained for further evaluation, and the information provided to BAWSCA for the purpose of your initial assessment. Now that we have a better understanding of the evaluation and screening requirements for the projects, we believe that some modifications to the list of Hayward projects would be appropriate and would result in a more realistic study.

While we do not object to your retaining two of the projects, specifically Projects HAY-1A and HAY-1B, limitations on available data, as discussed below, may make the projects unsuitable for further evaluation. Both projects are related to a recycled water treatment and distribution system that may be implemented in connection with the construction of the Russell City Energy Center (RCEC) by Calpine Corporation. The RCEC is a California Energy Commission-approved project and outside of the City's discretionary approval process. Much of the requested information for HAY-1A, which is the use of recycled water by the RCEC only, is currently unavailable. Some of the data for this project may be available by mid-2012, but that is dependent on Calpine's schedule, and it is unlikely that we could provide it within the Phase IIA timeline. The HAY-1B project, delivery of recycled water above that needed by the RCEC, has been evaluated by the City and is considered technically feasible if agreement can be reached with Calpine, if funding can be secured, and if a sufficient customer base for the additional water can be secured. The Recycled Water Facility Plan, which has been forwarded to you, contains all of the information that we have available. At this time, we are not planning to further assess the merits of the project pending more discussion with Calpine, although we are continuing to pursue funding opportunities. Given the information gaps that cannot be addressed in the short term, caution should be exercised in determining whether Projects HAY-1A and 1B are appropriate for retention in the Strategy.

DEPARTMENT OF PUBLIC WORKS
UTILITIES ADMINISTRATION

777 B STREET, HAYWARD, CA 94541-5007
TEL: 510/583-4700 • FAX: 510/583-3610 • TDD: 510/247-3340

A separate but related issue involves the use of recycled water by the RCEC, and its relationship to Hayward's projected water demand. Whether or not HAY-1A is retained for further evaluation in the Strategy, it is important to clearly state that the 4.1 million gallons per day of recycled water for use by RCEC will not offset existing potable water demand. This volume of the RCEC's process water use has never been included in Hayward's future demand projections, as it has always been assumed that, aside from a relatively small amount of potable water used for steam generator makeup and for employee use, the RCEC would be served by recycled water from a facility currently envisioned as owned and operated by Calpine.

Regarding the other two projects, HAY-2 and HAY-3, we request that they be removed from the Strategy. HAY-2 involves upgrading current emergency wells to normal year supply. While potentially a promising project, it is a long-term program that requires extensive modeling and impact analysis, as well as potentially some legal work and costly infrastructure construction for water treatment. The City is currently considering several alternatives for moving forward with a groundwater management plan, the first step towards converting emergency supplies to some permanent use, but no decisions have been made and the effort is not a priority for us at this time. The information that would be needed to evaluate and compare this project with others is not available and the City cannot commit to providing it in the foreseeable future.

HAY-3, construction of recycled water facilities beyond what is needed for HAY-1A and 1B demand, is also not considered feasible at this time. During preparation of the Recycled Water Facility Plan, the City looked at the potential for providing recycled water to several large properties, such as the California State University and a golf course that is located about 1,500 feet above the elevation at which Hayward's Water Pollution Control Facility is located. However, the costs of delivering the water to higher elevations were substantially higher than the selected alternative, i.e. Project HAY-1B, with substantial environmental impacts related to energy use and greenhouse gas emissions. There are no plans to pursue the more extensive and impactful delivery system. The system as envisioned in Project HAY-1B encompasses a good portion of the industrial corridor located in the flatlands, and in our opinion, represents the only potentially viable project.

Based on the foregoing, Projects HAY-2 and HAY-3 should be removed from the project list and careful consideration given to whether HAY-1A and HAY-1B should be retained with the limited availability of data. While these actions will reduce the number of projects in Hayward's service area, we continue to support development of the Long-Term Water Supply Strategy and will participate in the evaluation process to the extent that resources allow.

Thank you for your work on this important effort.

Sincerely,



Alex Ameri

Deputy Director of Public Works

Attachments: Agency Project Commitment Forms

cc: Fran David, City Manager
Robert Bauman, Director of Public Works

AGENCY PROJECT COMMITMENT FORM

Attachment 2

Instructions: For each information category listed on the left:

- 1) Review the amount of information provided on this project by your agency to date, using the table's key located below the table.
- 2) If your agency will provide remaining information to BAWSCA by April 1, 2011, make a check in Column 3 of the table.
- 3) If your agency will provide additional information for the project in the future, provide that date in Column 4 of the table.
- 4) If your agency will not be providing any additional information for the project, make a check mark in Column 5 of the table.
- 5) Provide an appropriate signature and date at the bottom of the form, and return form as described below.

General Project Information				
Agency	Hayward			
Title	Construct New Recycled Water Plant to Deliver Up to 3,920 AFY			
Project ID	HAY-1A			
Information Needs	Information Provided in Project Information Survey (See Key Below)	Agency Will Provide Remaining Information by April 1, 2011	Agency Will Provide Remaining Information by Future Date	Agency Will Not Provide Remaining Information
		(Check for yes)	(Enter Date)	(Check for no)
Costs Life-Cycle Costs Capital Costs O & M Costs	○			Not available from private entity
Facilities Treatment Storage Conveyance	○		July 2012	
Supply Reliability Normal Year Yield Drought Yield Regulatory Restrictions?	◐	Included in Recycled Water Facility Plan		
Schedule Duration Completion Date	○		July 2012	
Water Quality Expected TDS of Supply	●		July 2012	
Implementation Potential Coordination Needed Permitting Required	●		July 2012	
Environmental Impacts Energy Usage Groundwater Impact	○		July 2012	
Funding Funding Source Partnerships	◐			Not available from private entity
Ownership Treatment Storage Conveyance	○			Not available from private entity

- Key**
- Less than 25% of information available
 - ◐ 25-75% of information available
 - More than 75% of information available

Notes

(1) All information on this form represents our best estimate. City has no jurisdiction over Calif Energy Comm-approved project

I commit my agency to meeting the information deadlines provided above and/or the decision to not provide further information to BAWSCA on this project.

Name: _____

Date: _____

Title: _____

(2) Project will not offset existing or projected future potable demand -- not included in demand projections

Signature: _____

Name, title, and signature of person with authority to concur with information provided by agency above.

Please complete the form in full and return via mail, email, or fax by February 11, 2011 to:

Nicole M. Sandkulla, P. E.
BAWSCA
155 Bovet Road, Suite 302
San Mateo, CA 94402

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General Project Information				
Agency	Hayward			
Title	Utilize Excess Recycled Water from Planned Plant Not Used by Calpine, 680 AFY			
Project ID	HAY-1B			
Information Needs	Information Provided in Project Information Survey (See Key Below)	Agency Will Provide Remaining Information by April 1, 2011	Agency Will Provide Remaining Information by Future Date	Agency Will <u>Not</u> Provide Remaining Information
		(Check for yes)	(Enter Date)	(Check for no)
Costs Life-Cycle Costs Capital Costs O & M Costs	○	Included in Recycled Water Facility Plan		
Facilities Treatment Storage Conveyance	○	Included in RWFP		
Supply Reliability Normal Year Yield Drought Yield Regulatory Restrictions?	◐	Included in RWFP		
Schedule Duration Completion Date	○		July 2012	
Water Quality Expected TDS of Supply	●	Included in RWFP		
Implementation Potential Coordination Needed Permitting Required	◐	Included in RWFP		
Environmental Impacts Energy Usage Groundwater Impact	○		July 2012	
Funding Funding Source Partnerships	○			Uncertain - funding not yet secured
Ownership Treatment Storage Conveyance	○	Included in RWFP		

Key

- Less than 25% of information available
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- More than 75% of information available

I commit my agency to meeting the information deadlines provided above and/or the decision to not provide further information to BAWSCA on this project.

Name: _____

Date: _____

Title: _____

Signature: _____

Name, title, and signature of person with authority to concur with information provided by agency above.

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General Project Information				
Agency	Hayward			
Title	Upgrade Current Emergency Wells to Normal Year Supply			
Project ID	HAY-2			
Information Needs	Information Provided In Project Information Survey (See Key Below)	Agency Will Provide Remaining Information by April 1, 2011	Agency Will Provide Remaining Information by Future Date	Agency Will <u>Not</u> Provide Remaining Information
		(Check for yes)	(Enter Date)	(Check for no)
Costs				
Life-Cycle Costs	<input type="radio"/>			X
Capital Costs	<input type="radio"/>			X
O & M Costs	<input type="radio"/>			X
Facilities				
Treatment	<input type="radio"/>			X
Storage	<input type="radio"/>			X
Conveyance	<input type="radio"/>			X
Supply Reliability				
Normal Year Yield	<input type="radio"/>			X
Drought Yield	<input type="radio"/>			X
Regulatory Restrictions?	<input type="radio"/>			X
Schedule				
Duration	<input type="radio"/>			X
Completion Date	<input type="radio"/>			X
Water Quality				
Expected TDS of Supply	<input type="radio"/>			X
Implementation Potential				
Coordination Needs	<input type="radio"/>			X
Permitting Required	<input type="radio"/>			X
Environmental Impacts				
Energy Usage	<input type="radio"/>			X
Groundwater Impact	<input type="radio"/>			X
Funding				
Funding Source	<input type="radio"/>			X
Partnerships	<input type="radio"/>			X
Ownership				
Treatment	<input type="radio"/>			X
Storage	<input type="radio"/>			X
Conveyance	<input type="radio"/>			X

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 - More than 75% of information available

Note: Remove from further evaluation - see letter dated 2-14-11

I commit my agency to meeting the information deadlines provided above and/or the decision to not provide further information to BAWSCA on this project.

Name: _____

Date: _____

Title: _____

Signature: _____

Name, title, and signature of person with authority to concur with information provided by agency above.

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General Project Information				
Agency	Hayward			
Title	Construct Larger Plant to Supply Recycled Water Above 4,600 AFY			
Project ID	HAY-3			
Information Needs	Information Provided in Project Information Survey (See Key Below)	Agency Will Provide Remaining Information by April 1, 2011	Agency Will Provide Remaining Information by Future Date	Agency Will <u>Not</u> Provide Remaining Information
		(Check for yes)	(Enter Date)	(Check for no)
Costs				
Life-Cycle Costs	<input type="radio"/>			X
Capital Costs	<input type="radio"/>			X
O & M Costs	<input type="radio"/>			X
Facilities				
Treatment	<input type="radio"/>			X
Storage	<input type="radio"/>			X
Conveyance	<input type="radio"/>			X
Supply Reliability				
Normal Year Yield	<input type="radio"/>			X
Drought Yield	<input type="radio"/>			X
Regulatory Restrictions?	<input type="radio"/>			X
Schedule				
Duration	<input type="radio"/>			X
Completion Date	<input type="radio"/>			X
Water Quality				
Expected TDS of Supply	<input type="radio"/>			X
Implementation Potential				
Coordination Needed	<input type="radio"/>			X
Permitting Required	<input type="radio"/>			X
Environmental Impacts				
Energy Usage	<input type="radio"/>			X
Groundwater Impact	<input type="radio"/>			X
Funding				
Funding Source	<input type="radio"/>			X
Partnerships	<input type="radio"/>			X
Ownership				
Treatment	<input type="radio"/>			X
Storage	<input type="radio"/>			X
Conveyance	<input type="radio"/>			X

- Key**
- Less than 25% of information available
 - 25-75% of information available
 - More than 75% of information available

Note: Remove from further evaluation - see letter dated 2-14-11

I commit my agency to meeting the information deadlines provided above and/or the decision to not provide further information to BAWSCA on this project.

Name: _____

Date: _____

Title: _____

Signature: _____

Name, title, and signature of person with authority to concur with information provided by agency above.

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